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Pensions & Investments

The Newspaper of Corporate and Institutional Investing

Special issue - $15

AT DEADLINE

Chrysler lists health liability

Chrysler Corp.'s potential liability for retiree health and medical expenses will be between $4 billion and $6 billion when new accounting rules take effect in January 1993, the company said in a preliminary estimate.

Chrysler is the first of the three major auto companies to disclose its potential liability under FAS 106, which requires companies to accrue liabilities for retiree health and medical benefits.

Ford and General Motors also are expected to have substantial obligations.

Facciani bought by insurer

Insurance brokerage giant Willis Corroon PLC has acquired Facciani & Co., Cleveland, an actuarial and benefits consulting firm that counts TRW and the PBGC among its clients.

The size of the stock-for-stock deal was not revealed.

Mr. Facciani will serve as chief executive officer and president of C&B Consulting Group/Facciani Division, with responsibility for servicing the Great Lakes region. All of Facciani's 50 employees will be retained.

Non-discrimination rules out

The Internal Revenue Service last week released its 610-page final regulations setting non-discrimination rules for pension plans. The long-delayed rules, which are critical to how employers design their plans, implement provisions in the 1986 Tax Reform Act.

Funds hire managers

The $24 billion **Florida State Board of Administration** hired

Continued on page 43

INSIDE

Piping into mutual funds

UGI Corp., an energy company, is keeping a tight lid on its pension fund costs and getting good diversification at the same time by investing half of its defined benefit assets in equity mutual funds. Page 3.

UTC officials said the venture capital program cannot be monitored properly internally.

UTC moves venture cap to manager

By Fred Williams

HARTFORD, Conn. — In an effort to centralize oversight and enhance returns in its venture capital portfolio, the pension fund of United Technologies Corp., Hartford, has made what is believed to be the first fair-value transfer of a large portfolio of venture investments to an outside management firm.

The pension fund will transfer 31 venture partnerships valued at just more than $100 million to HLM Management Co., Boston, which will combine the UTC portfolio into a new partnership. UTC will retain beneficial ownership in the investments, but HLM will direct and oversee them.

Frances M. Hawk, assistant treasurer-pension and benefits management, said the move could be a model for other pension funds whose officials believe venture capital will provide favorable returns over the long term.

The United Technologies transfer is unusual because it is being done at fair market value. Most are done at a deep discount, Ms. Hawk said.

The move also involves an innovative use of an outside manager. Although pension funds have hired outside managers to oversee venture partnerships, the managers' major role has been to select the partnerships, rather than to take an existing portfolio and manage it, said Judith P. Lawrie, HLM general partner.

Ms. Hawk said the UTC transaction was not "liquidity driven" and that the $5.5 billion pension fund remains committed to nontraditional investments.

She said UTC is making the move because the pension fund

See **Venture** *on page 43*

Realty contributions dive

Despite 87% plunge, managers are heavy in cash

By Steve Hemmerick

Pension funds executives slashed the amount of money they gave their real estate managers by 87% in the year ended June 30, compared with a year ago.

Many money managers appear to have stepped out of the market temporarily and now have substantial amounts of cash ready to invest anyway. The 50 largest real estate money managers reported $8.96 billion in tax-exempt assets contributed but not invested as of June 30.

By comparison, they reported $2.29 billion in tax-exempt assets contributed but not invested on June 30, 1990.

From figures obtained in *Pensions & Investments*' annual survey, the 50 largest real estate managers reported only a 2% increase in tax-exempt assets under management for the year ended June 30, 1991, vs. a 14.9% increase for the year ended June 30, 1990. That means the rate of growth actually declined 87%.

The 50 largest managers reported an additional $2.13 billion in tax-exempt assets in real estate for the 12-month period, bringing their total to $123.94 billion. In the previous 12 months, the 50 largest reported an increase of $15.8 billion.

Increases in assets under management can come from increases in valuation as well as new contributions. But managers have been writing down significant numbers of properties since 1987 and investment performance has been weak in the past few years. Therefore, it appears the slight increase came from new or increased contributions.

Real estate investment, once a go-go business, is now only creeping. It is even uncertain whether renewed growth will come in the near term.

Pension funds generally aren't buying real estate as fund executives are dissatisfied with the past advice and current investment performance, consultants say.

And consultants don't see any quick relief.

Not only did the rate of growth slow, but some real estate money managers also reported an actual decline in the amount of assets under management.

Equitable Real Estate Investment Management Inc., New York, the largest real estate money manager for pension funds, reported a $146 million decline in tax-exempt assets under management for the year.

See **Decline** *on page 17*

Media General is taking steps to control its rising retiree medical obligations.

Media General cuts health plan

New employees lose retirement benefit

By Hillary Durgin

RICHMOND, Va. — Media General Inc. is eliminating retiree medical coverage for new employees and will fix its contribution toward those benefits for current employees.

Media General is one of only a few companies to eliminate retiree health coverage immediately and altogether, although many are cutting back on coverage or shifting the cost of such benefits to employees. Those who have eliminated coverage often do it gradually or offer employees an additional way to accumulate retirement savings.

The Richmond-based newspaper and broadcasting company also will offer current employees who retire starting next year a choice of two different levels of retiree medical coverage.

The changes, effective January 1992, target the company's escalating health costs and are intended to limit the company's retiree medical obligations under the Financial Accounting Standards Board's Statement 106.

The company has not reported its obligation for retiree benefits under the new accounting practices dictated by FAS 106.

The retire medical changes, coupled with an early retirement

See **Retiree** *on page 40*

NEWS DIGEST

DOUGLAS KLAUBA

Indexing, commonly regarded as a passive strategy, could be viewed as a way to buy into all of active management — both the good and the bad. In Commentary, page 14.

SPECIAL REPORT: LARGEST REAL ESTATE MANAGERS

Pension fund executives slash the amount of money they give their real estate managers by 87%, according to *P&I*'s latest survey. Page 1.

INTERNATIONAL

Some pension funds raise their target allocation to international investments while others complete funding of targets established earlier. Page 3.

Closed-end single country funds can be an attractive way for pension funds to get a foot into the door of the world's markets. Page 37.

FINANCING

Institutional investors like what they see in the PERCS issue of K mart Corp. Page 3.

The highly leveraged Del Monte Corp. bypasses commercial banks in favor of pension funds and money managers to do a senior financing. Page 4.

REAL ESTATE

Wilshire Associates develops a new index for publicly traded real estate securities. Page 17.

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Vol. 19, No. 20 — Pensions & Investments (ISSN 1050-4974) is published biweekly with a special edition in May by Crain Communications, Inc., 740 Rush St., Chicago, Ill. 60611-2590. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investments, Circulation Dept. 965 E. Jefferson, Detroit, Mich. 48207.

Consultant survey is in the mail

Questionnaires for *Pensions & Investments*' annual survey of investment management consultants have been mailed. The completed forms, to be used for a special report published Nov. 11, must be returned by Sept. 28. If you have not received a questionnaire, or if you have any questions, please contact Christine Philip at (312) 649-5217.

Security Pacific exodus

3 more from investment staff leave; new firm formed

By Curtis Vosti

LOS ANGELES — Three top officers from Security Pacific Bank's investment operation have left to form their own firm.

The resignations of Bob Sandroni, Carl Goldsmith and William C. Hibschman are the latest in a series of departures of the top echelon of Security Pacific Investment Group in the past six months and have added to the uncertainty arising from the proposed merger between Security Pacific Corp. and BankAmerica Corp.

Earlier this year, Security Pacific Investment Managers Inc., an SPIG subsidiary, lost its chief investment officer, J. Michael Gaffney, and its director of fixed income, Jim Miller. Stephen Walsh, president and chief investment officer for another subsidiary, also left this year.

Each left for what has been described as a better job.

Mr. Sandroni was SPIM's chief equity investment officer; Mr. Goldsmith, the firm's senior equity portfolio manager; and Mr. Hibschman, director of institutional client relations for the investment group.

Their resignations — shortly after Labor Day and within a month of the announcement of the proposed bank merger — have left some clients and firm officials scrambling. SPIM officials were hastily contacting clients to let them know of the changes.

Bank officials issued a brief statement saying Harvey Spiro, SPIM vice chairman, had assumed Mr. Sandroni's duties in equity investments.

"Because SPIM has a strong reputation in the industry, we are aware that our employees have valuable experience that may be attractive to other institutions," the statement said. "However, we have sufficient depth in personnel and experience to assure the continued smooth operation of our equity investment management unit."

The bevy of changes left clients concerned about how it would all shake out.

"One of the things we look at is material personnel changes," said Dennis Sugino, chief investment officer of the $4 billion Los Angeles Fire & Police Pension System.

"It's an important part of value-added services," he added.

The system's board was set to meet Sept. 12 to discuss the matter with its staff. SPIM manages $470 million in equities and $560 million in fixed income for the fund.

"It's so brand new we haven't had time to figure it out yet," said Paul Boland, treasurer of the $1.1 billion San Diego County Employees' Retirement System. SPIM manages $200 million in

See **Exodus** *on page 43*

Market neutral funds gain fans

$1.6 billion flows to equity strategy

By Terry Williams

Market neutral investing is, literally, an investment strategy whose time has come.

In the 1970s, no one understood it, said Amy Jo Gottfurcht, a principal with market neutral strategist Statistical Sciences Inc., Beverly Hills, Calif.

In the 1980s, no one was interested, because although its practitioners posted strong and consistent returns, it nevertheless underperformed the bull market.

But in the 1990s, as understanding of the strategy has increased and investors realize the 1980s were an investment anomaly, assets are beginning to flow into market neutral strategies.

Seven managers offering market neutral strategies run more than $1.6 billion in those accounts for clients including Unisys Corp., Virginia Retirement System, Amoco Corp. and Consolidated Natural Gas Co.

A consultant, who asked he not be identified, estimates that since the beginning of 1991, pension funds have put $500 million into market neutral strategies. Although it isn't a large amount, it is significant, given the relatively few managers that perform this style of management.

The $4.5 billion pension fund for Unisys, Blue Bell, Pa., has invested an unspecified amount with three market neutral managers: Twin Capital Management, Pittsburgh; Rosenberg Institutional Equity Management, Orinda, Calif.; and Jacobs Levy Equity Management Inc., Roseland, N.J.

The $1.6 billion Consolidated Natural Gas pension fund has committed $25 million in Jacobs Levy's market neutral strategy, but might increase the allocation

See **Neutral** *on page 43*

Ken Levy, left, and Bruce Jacobs of Jacobs Levy Equity Management use more than 50 variables to rank stocks.

Public funds mull protection

By Joel Chernoff

Public pension fund officials are thinking of asking Congress to protect their plans from cash-hungry governors and legislators.

With many states and municipalities looking to public funds to help them balance their budgets, some public fund officials think "maybe we need a Bigger Brother in here," said Harold Schaitberger. Mr. Schaitberger is legislative counsel to the National Conference on Public Employee Retirement Systems and an official at the International Association of Firefighters, Washington.

The attitude marks a radical change from the past decade, when public fund officials had argued they had improved their funding and investment practices without federal legislation.

California Gov. Pete Wilson's $1.6 billion raid on the California Public Employees' Retirement System this summer to help close the state's budget deficit has struck fear into the hearts of many public fund officials. At least 18 states have turned to their pension funds for short-term answers in the past two years.

"Pension funds are the only solvent institution left in America," said Carlos Resendez, chairman of NCPERS and executive director of the San Antonio (Texas) Firemen's and Policemen's Pension Fund.

In response, the conference last week filed a friend-of-the-court

See **Public** *on page 42*

New realty index created

Publicly traded securities comprise Wilshire offering

By Steve Hemmerick

Wilshire Associates, believing the way pension funds invest in real estate is flawed, has developed a new index for publicly traded real estate securities.

Publicly traded real estate securities will be the "next vehicle" for pension fund investment in real estate, as popular as commingled funds once were, said Michael Torres, a senior associate and consultant for real estate with Wilshire Associates, Santa Monica, Calif.

Publicly traded real estate securities will provide the liquidity through market repricing that pension funds don't have in their real estate portfolios, he said.

Most tax-exempt fund realty investments are through private, not public, trades. Pension and other tax-exempt funds have about $64 billion in shares of privately traded commingled funds.

The Wilshire index, composed of 65 securities, has a market capitalization of only $8.2 billion, too small for any but small pension funds to invest substantial amounts of money in without driving up the securities' prices.

But larger pension funds can use publicly traded securities for tactical changes in their real estate portfolios until the market grows larger. For example, by investing a small amount in particular real estate securities, such as a real estate investment trust that invests in East Coast retail properties, a large pension could change its portfolio's geographical and property type weighting.

Investment in real estate securities will have to evolve, Mr. Torres said.

Some pension funds already make such investments. Indeed, Wilshire constructed its real estate securities index at the request of a pension fund client he wouldn't identify that was investing in the securities and wanted a benchmark.

As the market grows, pension funds most likely would hire investment managers to select publicly traded real estate securities.

The largest single investment in publicly traded real estate securities is believed to be the $65 billion California Public Employees Retirement Systems' $400 million investment in Catellus Corp., San Francisco, a real estate development company.

Some, like the $35 billion California State Teachers' Retirement System, have investments in real estate companies through indexed stock investments. Those investments are viewed as stock investments. Mr. Torres said, however, a Wilshire study shows that stock investments in publicly traded real estate companies and trusts have the characteristics of real estate and are not simply stock investments.

A key reason pension funds didn't invest much money in publicly traded real estate securities

See **Wilshire** *on page 36*

Decline

Continued from page 1

The decline is particularly noticeable because Equitable's tax-exempt assets under management increased more than $1.3 billion in the previous year.

Other managers reporting a decline in tax-exempt assets under management this year included: Aetna Life Insurance Co./Aetna Realty Investors, Hartford, Conn., down $602 million; RREEF, San Francisco, down $624 million; and Alex. Brown Kleinwort Benson Realty Advisors Corp., Baltimore, down $546 million.

The second largest real estate manager, JMB Institutional Realty Corp., Chicago, reported $1.36 billion less in assets under management this year. But this year's figure didn't include assets from JMB's Acquisition Partners or its Randsworth Trust PLC.

JMB executives have said Randsworth, an $800 million investment in London's West End, has suffered some loss in property value, and JMB's floating rate-debt financing of Randsworth has suffered from higher interest rates in Great Britain. But executives would give no details about Randsworth or other investments.

JMB wasn't the only real estate money manager shy about revealing details in the troubled real estate market. Thirty smaller managers included in last year's directory provided no data to *P&I* this year.

Michael Torres, a senior associate and real estate consultant with Wilshire Associates, Santa Monica, Calif., said money is only trickling into most real estate managers because of doubts about investment performance in the current market.

He said there is "a credibility problem with managers. There is a lack of confidence between the plan sponsor and the investment manager about the realities of the real estate market." Many pension fund executives also are worried about the economic recession, and "flaws" in the design of some real estate investment vehicles, he said.

But Bruce Ludwig, a director with TCW Realty Advisors, Los Angeles, thinks pension fund executives also are being affected by conditions close to home that they read in "negative press" about real estate. Some have "lost money on their own house" while reading horror stories about real estate in the Northeast, he noted.

William J. Lyons, a vice president with the $4.9 billion New York-based Corporate Property Investors real estate investment trust, agreed: "Reading about what is going on in real estate is scaring some (pension) funds away."

But Steve Steppe, a principal with RREEF, said pension executives whose funds have a lot of money in poor-performing office properties probably are disappointed, but the ones who don't, he suspects, are not unhappy with real estate.

Still another reason for the lack of growth in assets is that existing real estate investments held by pension funds have had flat or negative valuations, said Mr. Torres. For the 12 months ended June 30, the Russell-NCREIF Property Index reported a return of −1.1%, the first negative one-year return in the 12-year history of the index.

That there is little growth in real estate assets held by pension funds is "not surprising" and "probably appropriate," said Mr. Ludwig. He said real estate developers are being sent a message by pension funds that their excesses in building won't be tolerated any longer.

But before real estate returns improve, pension executives probably should expect more bad performance.

Because of falling rents, the 1992 real estate numbers are going to "shell shock everybody" because real estate appraisals lag current losses in property values by one year, said Mr. Ludwig.

"I see easily four more quarters of decline," said Mr. Torres.

Another problem is what investment structure to use, said Mr. Steppe. Not much money is being raised in commingled funds because investors have had trouble getting their money out of those funds, he noted.

Pension executives have found flaws in open- and closed-end commingled funds, and "the jury is still out" on separate accounts, said Mr. Torres.

Paul Saint-Pierre, president of the San Francisco-based consulting firm Pension Realty Advisors, said one or two open-end funds are disappearing each year. Unlike finite closed-end funds, open-end funds are supposed to exist perpetually.

Massachusetts Mutual Life Insurance Co. and NCNB began liquidating one open-end fund each this year, Mr. Saint-Pierre said, and First Wachovia, The Travelers Corp. and Metropolitan Life Insurance Co. each had an open-end fund begin liquidation in 1990.

Problems also exist for closed-end fund operators. Sixty-one closed-end funds in the first quarter and 63 in the second quarter of 1991 were seeking contributions from pension executives, said Mr. Saint-Pierre. The number is not far below the high of 68 that sought contributions in the second quarter of 1990.

But closed-end fund operators today are seeking between $8 billion and $12.5 billion in contributions by themselves, when pension funds are only putting between $4 billion and $6 billion in all real estate vehicles each year.

"There are going to be a lot of disappointed funds out there that are not going to be attracting money. The capital flow is very low," said Mr. Saint-Pierre.

Still, commingled fund managers offering a unique strategy still can draw significant contributions from pension executives, he said.

One firm that has done so is GE Investments, Stamford Conn., an investment management subsidiary of General Electric Co. GE Investments reported a $1.32 billion increase in tax-exempt assets under management, the largest increase of any manager.

Geoffrey R. Norman, an executive vice president, said the addition contributions were invested in closed-end commingled funds, but he believes part of the increase came, but was not reported in time, last year.

A key reason for the investment is that GE's pension trust put money in GE Investments' funds.

Mr. Norman said pension fund executives feel more comfortable investing with managers who have their own money in an investment. That way, he said, they know the firm "wouldn't hustle money in just to get the fee meter running."

Other real estate money managers reporting increases in tax-exempt investments under management tin the 12 months included: Heitman Advisory Corp., Chicago, $370 million; The Yarmouth Group Inc., New York, $410 million; The O'Connor Group, New York, $211 million; and Lehndorff & Babson Real Estate Counsel, Dallas, $105 million.

Although many managers are having trouble getting contributions this year, it might be one of the best times to invest in real estate.

"We are moderately bullish on the market right now, given that this is best time (to invest) in term of pricing," said Mr. Saint-Pierre. He said there have been "significant" pricing corrections on properties, but he advises caution in manager selection.

As of June 30, the 50 largest managers of tax-exempt assets reported $101.17 billion in real estate equity money, $14.86 billion in hybrid debt and $7.91 billion in mortgage money.

The average tax-exempt property mix among the 50 largest managers was 2% in hotels, 16.6% in industrial, 10.8% in multifamily, 36.8% in offices, 24% in retail and 9.8% in other properties.

There has been a sharp reduction in the amount of assets in offices, which made up 41.8% of the Top 50's tax-exempt assets the previous year. How much of the reduction has come from selling properties or reductions in value isn't clear.

For tax-exempt assets, the geographic mix of properties for the largest managers is 35% in the West, 26.5% in the East, 17.8% in the Midwest and 20.7% in the South.

Of the properties held for tax-exempt investors by the Top 50, 89% are in existing properties and 11% in developmental.

The total amount in tax-exempt and taxable assets for the largest managers this year was $304.79 billion, compared to $301.89 billion the previous year. ■

How data were collected

Data for the real estate investment managers directory were gathered from questionnaires.

More than 300 managers were sent questionnaires and asked about such topics as tax-exempt and total assets under management; breakdowns among equity real estate, hybrid debt and mortgage investments; and the geographic and property mix of the tax-exempt assets.

Firms also were asked to provide a brief description of any open-end commingled funds and closed-end funds still open for subscription.

The tables that appear in the directory are based on the responses from the 75 participating firms, which are listed on page 19. The top 50 firms ranked by tax-exempt assets in property investments, and one manager of managers, are profiled beginning on page 20.

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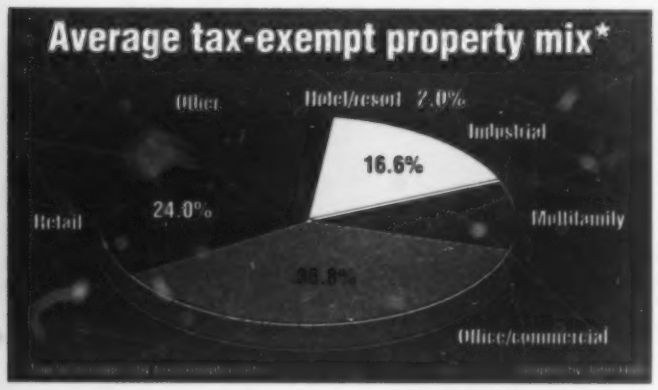

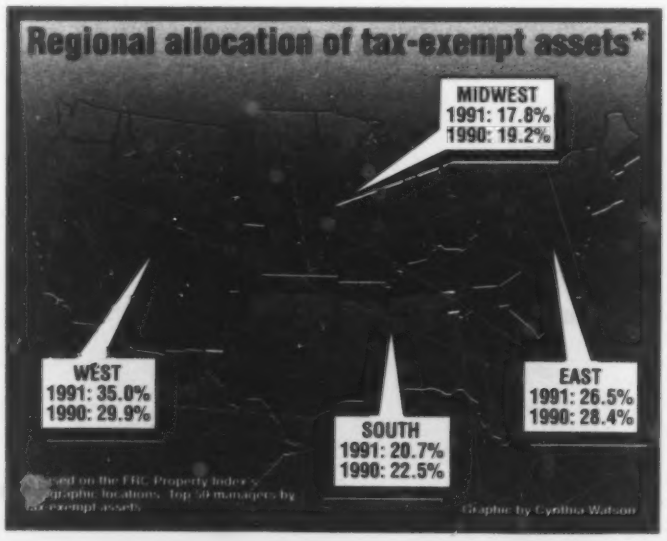

Real estate investment advisers ranked by tax-exempt assets*

	Tax-exempt assets ($ mils)					Taxable/tax-exempt assets ($ mils)			
	Total	Equity	Hybrid debt	Mortgages	Fully discretionary	Total	Equity	Hybrid debt	Mortgages
2. JMB Institutional	9,981	9,770	211		9,185	20,172	9,875	211	10,086
4. Heitman Advisory	6,870	6,870				6,870	6,870		
6. LaSalle Advisors	5,120	5,120			3,000	5,120	5,120		
8. Yarmouth Group	4,700	4,500	200		3,350	7,900	7,250	650	
10. Aldrich, Eastman & Waltch	4,450	1,080	2,765	605	2,060	4,635	1,205	2,820	610
12. RREEF	3,421	3,372		49	2,483	4,287	4,225		62
14. Corporate Property Investors	2,800	2,744		56	2,800	5,000	4,900		100
16. Jones Lang Wootton	2,300	2,000	300		750	3,300	2,500	800	
18. McMorgan	2,030	350	80	1,600	2,030	2,030	350	80	1,600
20. L.J. Melody	1,941	137	763	1,041		2,600	137	763	1,700
22. CIGNA Investments	1,820	1,670	146	4	1,246	15,579	2,644	1,335	11,600
24. Sentinel Real Estate	1,785	1,713		72	1,263	2,286	2,186		100
26. Koll Realty	1,665	1,663	2		1,665	3,963	3,848	115	
28. MIG Realty	1,342	758	333	251	594	1,342	758	333	251
30. John Hancock Financial	1,133	1,128		5	1,133	13,947	3,264		10,683
32. Kennedy Associates	1,024	790	221	13	199	1,024	790	221	13
34. Mellon/McMahan	953	712	135	106	666	1,103	812	171	120
36. CB Commercial Realty	860	823	33	4	698	860	823	33	4
38. PSI Institutional	728	728				3,247	2,947		300
40. Schroder Real Estate	700	700			450	1,500	1,500		
42. Metric Institutional	662	639	10	13	639	2,328	2,305	10	13
44. Prentiss Properties	602	602			500	679	679		
46. Dreyfus Realty	523	487	36		227	523	487	36	
48. AFL-CIO Housing & Bldg.	463			463	463	463			463
50. State Street Bank (m)	430	249	181		430	520	301	219	
52. Frank Russell Trust (m)	376	376				376	376		
54. Resource Investments	291	291			291	291	291		
56. Coventry Investment	252	252				280	280		
58. RCB Trust (m)	240	164	45	31	240	240	164	45	31
60. Grubb & Ellis Realty	211	185	21	5	102	679	653	21	5
62. Hart Advisors	183	115	24	44		183	115	24	44
64. Loeb Partners Realty	150	150				750	750		
66. Principal Mutual	106	106			106	11,097	397		10,700
68. Lieberman	100	80		20	100	100	80		20
70. C&S/Sovran Trust	98	46		52	65	950	819		131
72. Rosen Associates	50	50			50	560	560		
74. First Interstate Bank	14	14				14	14		
Total	127,282	103,755	15,284	8,243	89,281	327,862	175,800	21,299	130,763

*assets as of June 30, 1991 ** as of Dec. 31, 1990 (m) - manager of managers; assets not included in totals.

Jones Lang Wootton Realty Advisors

is pleased to announce

Darlene M. Jeris

has been appointed

Director of Client Relations

101 East 52nd Street
New York, New York 10022
(212) 836-9667

Aetna Life Insurance Co./Aetna Realty Investors

151 Farmington Ave., Hartford, Conn. 06156; (203) 273-0123

	($ millions)
Tax-exempt real estate assets	$4,464
Equity	$3,213
Hybrid debt	$973
Mortgages	$278
Commingled or pooled funds	
Equity	$2,473
Hybrid debt	$973
Mortgages	$2
Direct, separate accounts	
Equity	$740
Mortgages	$276
Total real estate assets	$28,717
Equity	$5,168
Hybrid debt	$973
Mortgages	$22,576

As of June 30, Aetna Life Insurance Co./Aetna Realty Investors had $4.464 billion in U.S. institutional tax-exempt real estate assets, of which $3.536 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $2.962 billion as of June 30. Contributions received but not invested were $91 million; contributions committed but not received were $160 million.

Of the total assets under management, $161 million was invested for non-U.S. clients.

Of the U.S. tax-exempt assets, 97% was in existing and 3% in developmental properties. The property mix was 3% hotel/resort; 21% industrial; 22% multifamily; 34% office/commercial; 19% retail; and 1% land. The geographic mix was 41% West; 12% Midwest; 29% East; and 18% South.

The firm offers open- and closed-end commingled funds, including closed-end specialty accounts, open-end participating mortgage accounts, single property and individual separate accounts.

The Real Estate Separate Account (RESA), an open-end fund, has contributions received and invested of $1.542 billion and contributions received but not invested of $52 million. RESA is an actively managed core portfolio of equity real estate, focusing on existing, well-leased properties or properties with expansion/rehabilitation potential. Forward commitments on to-be-built properties are made on a very limited basis. Investments have been structures as wholly owned properties or as partnership ventures. Investments are generally purchased with cash. Current acquisition strategy focuses on apartments, industrial and retail properties.

The Participating Mortgage Separate Account (PMSA) has contributions received and invested of $829 million and contributions received, but not invested of $45 million. PMSA is an aggressively managed core portfolio of participating mortgages and equity real estate. Investments consist of mortgage interests, land underlying commercial, income-producing property, and acquired properties that were mortgage investments. Current emphasis is on industrial and retail investments in targeted markets.

The Union Separate Account (USA) has contributions received and invested of $99 million and contributions received, but not invested of $18 million. USA is an aggressively managed core portfolio of participating mortgages and equity real estate. USA invests only in union-built properties. Investments consist of mortgage interests, land underlying commercial, income-producing property, and acquired properties that were mortgage investments. Current emphasis is on industrial and retail investments in targeted markets.

Union Residential Mortgage Account (URMA) has contributions received and invested of $840,000, contributions received but not invested of $1.2 million and contributions committed but not received of $8 million. URMA is an open-end pooled account that invests directly in residential first mortgages on new, owner-occupied, single-family residences constructed by union tradesmen. URMA will seek to invest in targeted geographic areas, focusing on communities with strong and diverse economies where residential construction is performed with union labor.

The parent company is Aetna Life and Casualty Co.

Rodney C. Dimock is in charge of making property investments; John E. Arant III is client contact.

AFL-CIO Housing & Building Investment Trusts

1717 K St. N.W., Suite 707, Washington, D.C. 20006; (202) 331-8055

	($ millions)
Tax-exempt real estate assets	$463
Mortgages	$463
Commingled or pooled funds	
Mortgages	$463
Total real estate assets	$463

As of June 30, the AFL-CIO Housing & Building Investment Trusts had $463 million in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

Of the U.S. tax-exempt assets, 74% was in existing and 26% in developmental properties. The property mix was 94% multifamily and 6% single-family housing. The geographic mix was 28% West; 53% Midwest; 16% East; 3% South.

The firm offers two open-end real estate funds.

The AFL-CIO Housing Investment Trust (HIT), an open-end fund, has $339 million in contributions received and invested, $74 million in contributions received but not invested and $50 million in contributions committed but not received for 263 participants. The HIT fund invests in construction loans, mortgages, mortgage-backed securities and participating mortgages in fully diversified portfolios for 100% union-built residential real estate projects.

In addition to the assets listed above, $121 million is managed on its behalf by Riggs National Bank in the AFL-CIO Building Investment Trust (BIT), an open-end fund. The fund has $53 million in contributions received and invested; $63 million in contributions received, but not invested; and $5 million in contributions committed, but not received for 29 participants. The BIT fund invests in construction loans, mortgages, mortgage-backed securities and participating mortgages in fully diversified commercial/office and retail properties.

Tax-exempt clients include the California Public Employees', Bricklayers & Trowel Trades International, International Union of Operating Engineers and the Bakery and Confectionary Union and Industry.

William Tutt is in charge of making property investments; Michael Arnold is client contact.

Aldrich, Eastman & Waltch

225 Franklin St., Boston, Mass. 02110; (617) 261-9000

	($ millions)
Tax-exempt real estate assets	$4,450
Equity	$1,080
Hybrid debt	$2,765
Mortgages	$605
Commingled or pooled funds	
Equity	$285
Hybrid debt	$805
Direct, separate accounts	
Equity	$795
Hybrid debt	$1,960
Mortgages	$805

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it represented

NCNB

in the sale of
Republic Plaza
a 400,000 square foot office complex in
Austin, Texas
to
The State of Texas

Cushman & Wakefield, Inc.
1300 Post Oak Boulevard
Houston, TX 77056

Nothing Succeeds Like Success

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Partnerships of
Weatherford/Walker Developments, Inc.

in the sale of
3 Retail Power Centers
totalling over 540,000 square feet in
Dayton, Ohio
Taylor, Michigan and
Southgate, Michigan

Cushman & Wakefield, Inc.
27400 Northwestern Highway
Southfield, MI 48034

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

First Interstate Bank of California

in the sale of
Victoria Woods
a 328 unit apartment complex in
Rancho Cucamonga, California
to
Allmark, Inc. of Rancho Cucamonga

Cushman & Wakefield, Inc.
515 South Flower Street
Los Angeles, CA 90071

A difficult market environment is separating those who can from those who cannot. Having experienced people who know and understand local market dynamics, combined with the ability to raise capital from those local markets or from around the world, separates Cushman & Wakefield's Financial Services Group from its competition.

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Westwood Corporation

in the sale of
Home Club Center
a 103,909 square foot retail center in
Portland, Oregon
to
Summa Equity Corporation

Cushman & Wakefield, Inc.
200 SW Market Street
Portland, OR 97201

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

RREEF USA Fund-III, Inc.

in the sale of
Cumberland Office Park
a 560,000 square foot office park in
Atlanta, Georgia
to
Prentiss Properties Acquisition Partners, L.P.

Cushman & Wakefield, Inc.
1201 West Peachtree Street
Atlanta, GA 30309

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that success is measured
in closed transactions.

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Business America's Real Estate Firm

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A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Pitney Bowes Real Estate
Financing Corporation
a wholly-owned subsidiary of
Pitney Bowes Credit Corporation

in the acquisition of
Gateway Building
a 305,000 square foot industrial facility in
St. Petersburg, Florida
with a leveraged lease to
Honeywell, Inc.
and the placement of First Mortgage Financing
with
Prudential Capital Corp.

Cushman & Wakefield, Inc.
9 West Broad Street
Stamford, CT 06902

Total real estate assets	$4,635
Equity	$1,205
Hybrid debt	$2,820
Mortgages	$610

As of June 30, Aldrich, Eastman & Waltch L.P. had $4.45 billion in U.S. institutional tax-exempt real estate assets, of which $2.06 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.08 billion as of June 30.

Of the U.S. tax-exempt assets, 30% was in existing and 10% in developments' properties. The property mix was 2% hotel/resort; 11% industrial; 7% multifamily; 35% office/commercial; 36% retail; and 9% mixed-use portfolios. The geographic mix was 30% West; 19% Midwest; 39% East; 12% South.

The firm has invested in S&L/thrift properties.

The firm offers closed-end commingled funds and separate account management.

The six AEW-State Street Real Estate Funds are closed for new contributions.

Tax-exempt clients include GM, AT&T, Connecticut and Iowa.

Secured Capital is a subsidiary of the firm.

Joseph F. Azrack is in charge of making property investments; Susan Hudson-Wilson is the client contact.

ASB Capital Management

655 15th St. N.W., Suite 800, Washington, D.C. 20005; (202) 383-6300

	($ millions)
Tax-exempt real estate assets	$595
Equity	$439
Hybrid debt	$156
Commingled or pooled funds	
Equity	$66
Hybrid debt	$12
Direct, separate accounts	
Equity	$373
Hybrid debt	$144
Total real estate assets	$595

As of June 30, ASB Capital Management Inc. had $595 million in U.S. institutional tax-exempt real estate assets, of which $58 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $306 million as of June 30. Contributions received but not invested were $49 million; contributions committed but not received were $84 million.

All of the U.S. tax-exempt assets were in developmental properties. The property mix was 1.7% hotel/resort; 7.9% industrial; 15.4% multifamily; 74.7% office/commercial; and 0.3% land. The geographic mix was 27.9% West; 21% Midwest; 40.7% East; 10.4% South.

The firm offers an open-end commingled fund and separate account management.

The Employee Benefit Real Estate Fund is an open-end fund with $28 million in contributions received and invested and $49 million in contributions received, but not invested. The fund investments in developmental joint ventures.

Tax-exempt clients include the IBEW, the National Electrical Contractors Association, the Electrical Workers Benefit Association and the Plumbers and Pipefitters.

The parent company is MNC Financial Inc.

Paul R. Lowman is in charge of making property investments; Ian W. Jones is client contact.

The Balcor Co.

4849 Golf Road, Skokie, Ill. 60077; (708) 676-6949

	($ millions)
Tax-exempt real estate assets	$1,810
Equity	$682
Hybrid debt	$1,128
Commingled or pooled funds	
Equity	$682
Hybrid debt	$1,102
Direct, separate accounts	
Hybrid debt	$26
Total real estate assets	$4,635
Equity	$3,507
Hybrid debt	$1,128

As of June 30, The Balcor Co. had $1.81 billion in U.S. institutional tax-exempt real estate assets, none of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $682 million as of June 30.

Of the total assets under management, $45 million was invested for non-U.S. clients, including $26 million for Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 1.6% hotel/resort; 5.4% industrial; 34.9% multifamily housing; 39.8% office/commercial; 12.5% retail; and 5.8% mobile home parks. The geographic mix was 25.1% West; 26.7% Midwest; 15.2% East; 33% South.

The parent company is American Express.

Thomas E. Meador is in charge of making property investments; John K. Powell Jr. is client contact.

The Boston Co. Real Estate Counsel Inc.

1 Boston Place, OB18B, Boston, Mass. 02108; (617) 722-7000

	($ millions)
Tax-exempt real estate assets	$2,784
Equity	$933
Hybrid debt	$1,851
Commingled or pooled funds	
Hybrid debt	$130
Direct, separate accounts	
Equity	$933
Hybrid debt	$1,721
Total real estate assets	$2,784

As of June 30, The Boston Co. Real Estate Counsel Inc. had $2.784 billion in U.S. institutional tax-exempt real estate assets, of which $1.212 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $933 million as of June 30.

Of the U.S. tax-exempt assets, 91% was in existing and 9% in developmental properties. The property mix was 16% hotel; 7% multifamily; 57% office/commercial; 18% retail; and 2% other. The geographic mix was 30% West; 15% Midwest; 45% East; 10% South.

The firm offers separate accounts; none of its closed-end funds is open to new subscriptions.

Tax-exempt clients include AT&T, GM, United Technologies and Texas Teachers.

The parent company is The Boston Co.

Mark A. Albertson is in charge of making property investments; Melissa Browne is client contact.

Alex. Brown Kleinwort Benson Realty Advisors

2 N. Charles St., Baltimore, Md. 21201; (303) 783-3200

	($ millions)
Tax-exempt real estate assets	$3,176
Equity	$1,551
Hybrid debt	$1,004
Mortgages	$621
Commingled or pooled funds	
Equity	$64
Mortgages	$7
Direct, separate accounts	
Equity	$1,487
Hybrid debt	$1,004
Mortgages	$614
Total real estate assets	$3,176

As of June 30, Alex. Brown Kleinwort Benson Realty Advisors Corp. had $3.176 billion in U.S. institutional tax-exempt real estate assets, of which $155 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.551 billion as of June 30.

Of the U.S. tax-exempt assets, $34 million was invested in Canada, the U.K., France, Spain, Australia and Japan.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 9.5% hotel/resort; 14.5% industrial; 7.3% multifamily; 50.6% office/commercial; 17.3% retail; and 0.8% land. The geographic mix was 36.4% West; 13.3% Midwest; 23% East; 27.3% South.

The firm offers separate accounts; no closed-end funds are open for subscription.

Tax-exempt clients include California PERS, Illinois Teachers, Oregon PERS and Utah.

The parent company is Alex. Brown/Kleinwort Benson.

John Guinee is in charge of making property investments; Winston Hickox is client contact.

Master trust directory: Oct. 14.

Cabot Partners L.P.

60 State St., Boston, Mass. 02109; (617) 723-0900

	($ millions)
Tax-exempt real estate assets	$810
Equity	$810
Direct, separate accounts	
Equity	$810
Total real estate assets	$900
Equity	$900

As of June 30, Cabot Partners L.P., formerly Cabot, Cabot & Forbes Realty Advisors Inc., had $810 million in U.S. institutional tax-exempt real estate assets, all of which was fully discretionary.

The tax-exempt equity assets had a market value of $370 million as of June 30. Contributions received but not invested were $10 million; contributions committed but not received were $430 million.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 87% industrial and 13% office/commercial. The geographic mix was 23% West; 21% Midwest; 51% East; 5% South.

The firm offers separate accounts and co-investment programs.

Tax-exempt clients include Ameritech, BellSouth, Eastman Kodak, IBM and Shell Oil.

Robert E. Patterson is in charge of making property investments; Robert M. Angland is client contact.

CB Commercial Realty Advisors

533 Fremont Ave., Los Angeles, Calif. 90071; (213) 613-3705

	($ millions)
Tax-exempt real estate assets	$860
Equity	$823
Hybrid debt	$33
Mortgages	$4
Commingled or pooled funds	
Equity	$362
Hybrid debt	$33
Mortgages	$4
Direct, separate accounts	
Equity	$461
Total real estate assets	$860

As of June 30, CB Commercial Realty Advisors, formerly Coldwell Banker Commercial Realty Advisors, had $860 million in U.S. institutional tax-exempt real estate assets, of which $696 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $796 million as of June 30. Contributions committed but not received were $25 million.

Of the U.S. tax-exempt assets, 89.6% was in ex-

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Top 10 equity real estate managers*

Equitable Real Estate	10,871
Copley Real Estate	9,225
Prudential Real Estate	5,240
Yarmouth Group	4,500
TCW Realty	3,658
Total	63,002

lating and 10.4% in developmental properties. The property mix was 30% industrial; 49.3% office/commercial; 20.4% retail; and 0.3% land. The geographic mix was 52.9% West; 8.4% Midwest; 29.5% East; 9.2% South.

The firm offers separate accounts; no closed-end funds are open to new subscriptions.

Tax-exempt clients include AT&T, Unisys, Kodak and Stanley Works.

The parent company is CB Commercial Real Estate Group Inc.

Cab Grayson is in charge of making property investments; Al Beaudette is client contact.

CIGNA Investments Inc.

Hartford, Conn. 06152; (203) 726-7316

Tax-exempt real estate assets	$1,820
Equity	$1,670
Hybrid debt	$146
Mortgages	$4
Commingled or pooled funds	
Equity	$1,494
Hybrid debt	$37
Mortgages	$4
Direct, separate accounts	
Equity	$176
Hybrid debt	$109
Total real estate assets	$15,579
Equity	$2,644
Hybrid debt	$1,335
Mortgages	$11,600

As of June 30, CIGNA Investments Inc. had $1.82 billion in U.S. institutional tax-exempt real estate assets, of which $1.246 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.623 billion as of June 30. Contributions committed but not received were $47 million.

Of the U.S. tax-exempt assets, 99% was in existing and 1% in developmental properties. The property mix was 6% hotel/resort; 22% industrial; 8% multifamily housing; 15% office/commercial; 36% retail; 1% land; and 12% mixed-use properties. The geographic mix was 22% West; 22% Midwest; 19% East; 37% South.

The firm offers open- and closed-end funds, direct investments and individual, separate accounts.

Tax-exempt clients include United Methodist Church, Unisys, Grumman and Connecticut.

The parent company is CIGNA Corp.

David R. Johnson is in charge of making property investments; Thomas P. Mahoney is client contact.

Copley Real Estate Advisors

399 Boylston St., Boston, Mass. 02116; (617) 578-1200

	($ million)
Tax-exempt real estate assets	$9,225
Equity	$9,225
Commingled or pooled funds	
Equity	$6,309
Direct, separate accounts	
Equity	$2,916
Total real estate assets	$14,894
Equity	$14,894

As of June 30, Copley Real Estate Advisors had $9.225 billion in U.S. institutional tax-exempt real estate assets, of which $9.125 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $8.992 billion as of June 30. Contributions committed but not received were $233 million.

Of the U.S. tax-exempt assets, 67% was in existing and 33% in developmental properties. The property mix was 1% hotel/resort; 41% industrial; 8% multifamily housing; 25% office/commercial; 7% retail; and 18% land. The geographic mix was 65% West; 3% Midwest; 25% East; 7% South.

The firm offers open- and closed-end funds and separate accounts; it manages the general account real estate portfolio of its parent, The New England.

The Developmental Properties Account, an open-end fund, has $1.166 billion in contributions received and invested. DPA emphasizes investments in newly developed, income-producing properties. Holdings include operating properties, projects under development and land for future development. A value-added strategy of developmental joint venturing is used. The fund is invested in industrial, office, residential and retail properties and is pursuing acquisitions of industrial and residential.

Tax-exempt clients include AT&T, Bell Atlantic, Commonwealth of Virginia and Washington.

Kevin M. Mahoney is in charge of making property investments; John C. Phillips Jr. is client contact.

Corporate Property Investors

305 E. 47th St., New York, N.Y. 10017; (212) 421-8200

	($ millions)
Tax-exempt real estate assets	$7,800
Equity	$2,744
Mortgages	$56
Commingled or pooled funds	
Equity	$2,744
Hybrid debt	$56
Total real estate assets	$5,000
Equity	$4,900
Mortgages	$100

As of June 30, Corporate Property Investors had $2.8 billion in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $2.632 billion as of June 30. Contributions received but not invested were $112 million.

Of the total assets under management, $2.2 billion was invested for non-U.S. clients, including $175 million for pension funds.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 1% industrial, 10% office/commercial and 89% retail. The geographic mix was 18% West; 7% Midwest; 43% East; 32% South.

The firm offers one product, a real estate investment trust, which is open for additional investments through year end. The fund has $141 million in contributions received but not invested. The REIT specializes in superregional shopping centers.

Tax-exempt clients include AT&T, Exxon, GM and the State of Pennsylvania.

Hans C. Mautner is in charge of making property investments; William J. Lyons is client contact.

Dreyfus Realty Advisors

1180 Avenue of the Americas, 18th Floor, New York, N.Y. 10036; (212) 764-3210

	($ millions)
Tax-exempt real estate assets	$523
Equity	$487
Hybrid debt	$36
Commingled or pooled funds	
Equity	$15
Direct, separate accounts	
Equity	$472
Hybrid debt	$36
Total real estate assets	$523

As of June 30, Dreyfus Realty Advisors Inc. had $523 million in U.S. institutional tax-exempt real estate assets, of which $227 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $407 million as of June 30. Contributions committed but not received were $80 million.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 12% industrial; 45% office/commercial; and 43% retail. The geographic mix was 7% West; 14% Midwest; 45% East; 34% South.

The firm offers separate accounts, co-investments, project advisory and problem property asset management.

The Wal-Mart Community Shopping Centers Co-Investment Fund, a closed-end fund, has $20 million committed, but not received. The fund is designed to acquire a geographically diverse portfolio of community shopping centers, anchored in part by Wal-Mart stores.

The parent company is Dreyfus Corp.

Francis X. Tansey and David Lusk are in charge of making property investments; Paul McEvoy Jr. is client contact.

Eastdil Realty Inc.

40 W. 57th St., New York, N.Y. 10019; (212) 315-7200

	($ millions)
Tax-exempt real estate assets	$468
Equity	$444
Hybrid debt	$19
Mortgages	$5
Direct, separate accounts	
Equity	$444
Hybrid debt	$19
Mortgages	$5
Total real estate assets	$4,571
Equity	$2,288
Hybrid debt	$1,849
Mortgages	$434

As of June 30, Eastdil Realty Inc. had $468 million in U.S. institutional tax-exempt real estate assets, of which $381 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $444 million as of June 30.

Of the total assets under management, $3.571 billion was invested on behalf of Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 6.2% industrial; 0.2% multifamily housing; 77.1% office/commercial; and 16.5% retail. The geographic mix was 40.5% West; 3.8% East; 55.7% South.

The firm offers separate account management.

Tax-exempt clients include TREET, Virginia and New York State Employees.

Steven Karpl, Jonathan Weller and Benjamin Lambert are in charge of making property investments; Mr. Weller is client contact.

Investment management consultant profiles will run Nov. 11.

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Equitable Real Estate Investment Management

787 Seventh Ave., Area 46K, New York, N.Y. 10019; (212) 554-4213

	($ millions)
Tax-exempt real estate assets	$11,455
Equity	$10,871
Hybrid debt	$114
Mortgages	$470
Commingled or pooled funds	
Equity	$6,196
Hybrid debt	$114
Mortgages	$211
Direct, separate accounts	
Equity	$4,675
Mortgages	$259
Total real estate assets	$36,657
Equity	$22,213
Hybrid debt	$1,214
Mortgages	$13,230

As of June 30, Equitable Real Estate Investment Management Inc. had $11.455 billion in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $10.78 billion as of June 30. Contributions received but not invested were $8 million; contributions committed but not received were $83 million.

Of the total assets under management, $2.436 billion was invested for non-U.S. clients, including $2.195 billion for Japanese clients.

Of the U.S. tax-exempt assets, 96.7% was in existing, 0.5% in redevelopmental, and 2.8% in developmental properties. The property mix was 1.8% hotel/resort; 13.1% industrial; 38.2% office/commercial; 45.7% retail; and 1.2% other. The geographic mix was 30.2% West; 23.7% Midwest; 26.6% East; 19.5% South.

The firm offers open- and closed-end funds, co-investment vehicles and direct, separate accounts.

The Prime Property Fund, an open-end equity separate account, has contributions received and invested of $3.54 billion and contributions received, but not invested of $8 million. The fund concentrates on investments in high-quality, income producing real property purchased for the long term, usually on a free and clear basis.

PREFER — the Real Estate Option is an open-end, equity separate account, with contributions received and invested of $23 million, and contributions received, but not invested of $2 million. PREFER purchases shares of the Prime Property Fund, while maintaining the liquidity necessary for employee choice plans.

Equitable Real Estate's Value Enhancement Fund, a closed-end equity separate account, has contributions committed but not received of $25 million. The anticipated closing date is July 31, 1992. The fund will invest in institutional-grade properties at depressed values. Existing properties with substantial potential for redevelopment, expansion, rehabilitation or renovation will be targeted, as will underutilized properties to be redeveloped to achieve highest and best use.

Tax-exempt clients include California Public Employees, California Teachers, Amoco and Underwriter's Lab.

Europolis Invest is the firm's joint venture partner for non-U.S. real estate investments.

The parent company is Equitable Life Assurance Society of the U.S.

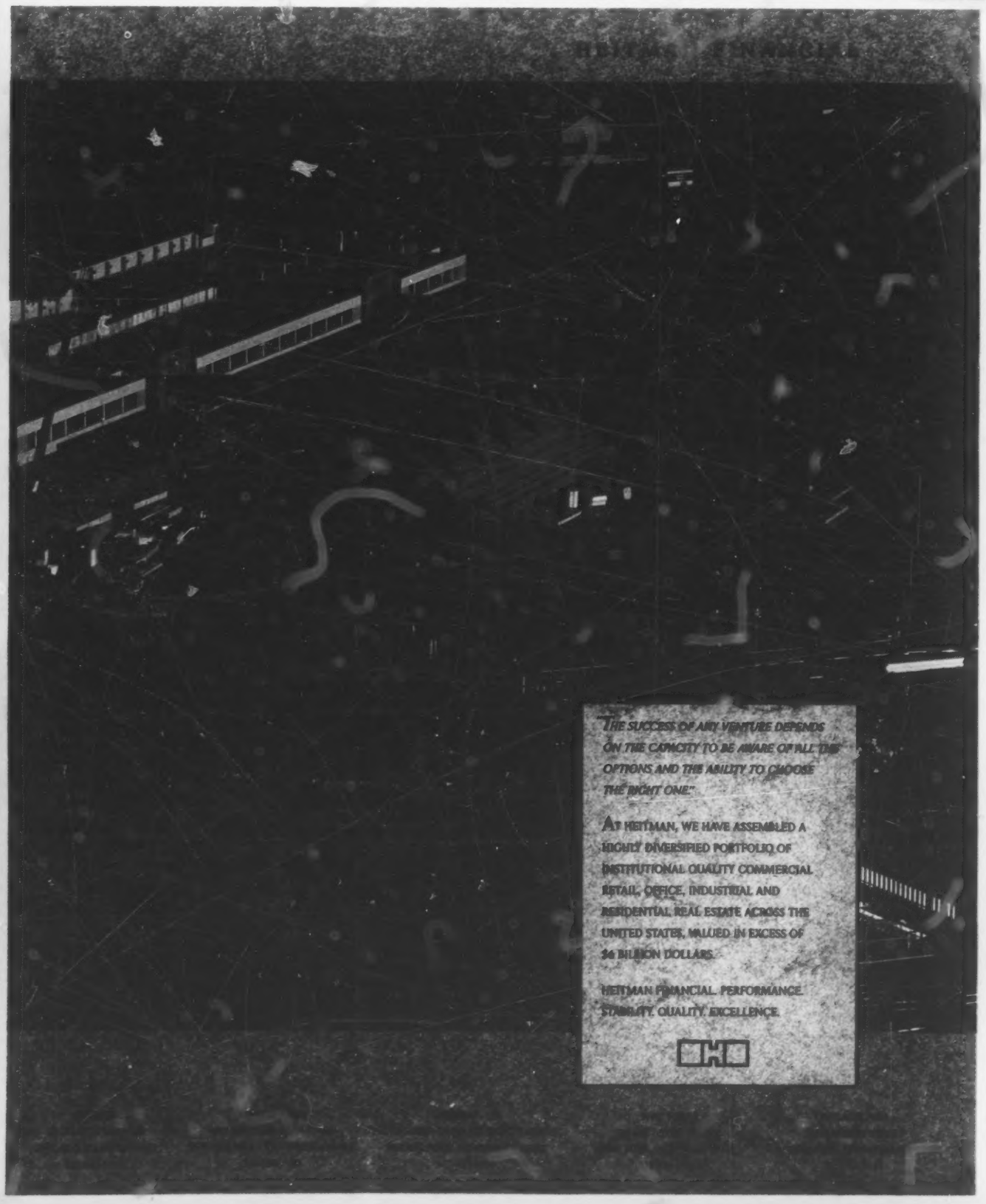
Tommy Clinton and Douglas Healy are in charge of making property investments; Paul J. Dolinoy is the client contact.

• The assets of Equitable Agri-Business Inc. are included with those of the parent company, above. Equitable Agri-Business managed $20 million as of June 30 in tax-exempt equity real estate assets. The firm managed $2.268 billion in total assets, of which $100 million was real estate equity and $2.168 billion was mortgages.

The firm offers individual, separate accounts and closed-end commingled funds. The Agricultural Properties Fund, a closed-end fund, has $10 million in contributions received and invested and $10 million committed but not yet received. The fund is expected to close July 30, 1992. The fund invests in high-grade, income-producing agricultural property diversified by crop type, geography and leasing arrangement.

The Agricultural Resources Fund, a closed-end equity separate account, has not yet received contributions or commitments. The anticipated closing date is July 30, 1992. The fund will seek to acquire a select pool of high-quality mortgages diversified by crop type, geography, loan size and borrower.

E.J. Brown is responsible for making property investments; Joyce Niggley is client contact at (404) 551-2700.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AT HEITMAN, WE HAVE ASSEMBLED A HIGHLY DIVERSIFIED PORTFOLIO OF INSTITUTIONAL QUALITY COMMERCIAL RETAIL, OFFICE, INDUSTRIAL AND RESIDENTIAL REAL ESTATE ACROSS THE UNITED STATES, VALUED IN EXCESS OF $4 BILLION DOLLARS.
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GE Investments

3003 Summer St., Stamford, Conn. 06905; (203) 326-2353

	($ millions)
Tax-exempt real estate assets	$4,998
Equity	$4,376
Hybrid debt	$222
Mortgages	$400
Commingled or pooled funds	
Equity	$1,164
Direct, separate accounts	
Equity	$3,212
Hybrid debt	$222
Mortgages	$400
Total real estate assets	$4,998

As of June 30, GE Investments had $4.998 billion in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $4.01 billion as of June 30. Contributions committed but not received were $366 million.

Of the U.S. tax-exempt assets, 97% was in existing and 3% in developmental properties. The property mix was 12% hotel/resort; 8% industrial; 6% multifamily housing; 60% office/commercial; 7% retail; and 7% land and international. The geographic mix was 26% West; 10% Midwest; 39% East; 25% South.

The firm offers closed-end funds and separate account management.

Tax-exempt clients include AMR, Mead, Ford Motor and Eli Lilly.

The parent company is General Electric Co.

Joel R. Wilson is in charge of making property investments; Geoffrey R. Norman is client contact.

John Hancock Financial Services

P.O. Box 111, Boston, Mass. 02117; (617) 572-4523

	($ millions)
Tax-exempt real estate assets	$1,133
Equity	$1,128
Mortgages	$5
Commingled or pooled funds	
Equity	$224
Mortgages	$5
Direct, separate accounts	
Equity	$904
Total real estate assets	$13,947
Equity	$3,264
Mortgages	$10,683

As of June 30, John Hancock Financial Services had $1.133 billion in U.S. institutional tax-exempt real estate assets, all fully discretionary and managed by one subsidiary and two investment groups.

John Hancock Properties Inc. managed $172 million in U.S. institutional tax-exempt assets. Total real estate assets were $1.987 billion, of which $127 million was invested for non-U.S. clients, including $99 million for Japanese clients.

All of the U.S. tax-exempt assets were invested in existing properties. The property mix was 17% hotel/resort; 4.9% industrial; 34.4% multifamily; 19.4% office/commercial; 10.3% retail; 0.2% trailer parks; 4.7% land; and 9.1% other. The properties were located 12% West; 19% Midwest; 33% East; and 36% South.

The firm offers open- and closed-end funds, separate accounts and co-investments. The John Hancock Property Fund, an open-end fund, has contributions received and invested of $59 million.

Tax-exempt clients include Pennsylvania State Employes, Florida, Detroit and Connecticut.

Terrence Reed is in charge of making property investments; James McBride is client contact and may be reached at (617) 572-3800.

Hancock Agricultural Investment Group managed $37 million in real estate equity and $5 million in mortgages in U.S. institutional tax-exempt assets, of which $42 million is in fully discretionary accounts.

All of the U.S. tax-exempt assets were invested in existing agricultural and timber properties. The properties were located 30% West; 43% Midwest; 5% East; and 22% South.

The firm offers open- and closed-end funds and separate accounts. ACRE, an open-end fund, invests in equities and mortgages. ACRE 2000, a

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closed-end fund with an anticipated closing date of Dec. 31, will invest exclusively in equities.

Tax-exempt clients include Detroit Police and Fire and Detroit Retirement.

Paul Rennie is in charge of making property investments; Jeffrey Conrad is client contact at (617) 572-4520.

Hancock Timber Resource Group managed $919 million in real estate equity for U.S. institutional tax-exempt clients. The market value of real estate equity assets as of June 30 was $841 million; $78 million was committed, but not received. Commingled assets were $15 million; $904 million was in direct, separate accounts.

All of the U.S. tax-exempt assets were in existing timberland properties. The geographic asset mix was 54% West, 11% East and 35% South.

The firm offers closed-end funds, separate accounts and open- and closed-end separate accounts. ForesTree 2, a closed-end fund, is scheduled to close Dec. 31. No money has been committed. The fund will invest solely in quality timberlands. Portfolios will be constructed with highly productive timberlands appropriately diversified to reduce risk.

Tax-exempt clients include Hallmark, R.R. Donnelley, Detroit Police and Fire and American Hoescht.

William R. Gordon is in charge of making property investment; Richard N. Smith is client contact at (617) 572-1155.

Heitman Advisory Corp.

180 N. LaSalle St., Suite 3600,
Chicago, Ill. 60601; (312) 855-5700

	($ millions)
Tax-exempt real estate assets	$6,870
Equity	$6,870
Commingled or pooled funds	
Equity	$923
Direct, separate accounts	
Equity	$5,947
Total real estate assets	$6,870

As of June 30, Heitman Advisory Corp. had $6.87 billion in U.S. institutional tax-exempt real estate assets.

The tax-exempt equity assets had a market value of $6.35 billion as of June 30. Contributions received but not invested were $50 million; contributions committed but not received were $470 million.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 7.5% industrial; 1.6% multifamily housing; 38.5% office/commercial; 40.5% retail; and 11.9% mixed-use, land and parking. The geographic mix was 26.1% West; 46.1% Midwest; 21.6% East; 6.2% South.

The firm offers closed-end funds and separate account management.

The Heitman Real Estate Fund V is a closed-end fund, with an anticipated closing date of Sept. 30. The fund has contributions committed, but not received of $105 million; the fund will be capitalized with a minimum of $150 million. The fund is designed to provide a core portfolio of high-quality, existing, well-leased property, diversified by geographic area and property type. The fund will acquire interests in a diversified portfolio of 10 to 15 regional shopping centers, industrial business parks, office buildings, mixed-use properties and luxury high-rise residential properties. Properties will be acquired primarily on an equity, leveraged equity and joint-venture basis.

Tax-exempt clients include AT&T, Alaska Permanent, Iowa PERS and Pennsylvania Employes.

The parent company is Heitman Financial Services Ltd. Subsidiary is Heitman Properties Ltd.

Norman Perlmutter is in charge of making property investments; David Glickman is client contact.

INVESCO Realty Advisors

5400 LBJ Freeway, Suite 1200,
Dallas, Texas 75240; (214)
715-7400

	($ millions)
Tax-exempt real estate assets	$1,052
Equity	$132
Hybrid debt	$748
Mortgages	$172
Commingled or pooled funds	
Hybrid debt	$38
Mortgages	$9
Direct, separate accounts	
Equity	$132
Hybrid debt	$710
Mortgages	$163
Total real estate assets	$1,052

As of June 30, INVESCO Realty Advisors had $1.052 billion in U.S. institutional tax-exempt real estate assets, of which $168 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $132 million as of June 30.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 30% industrial; 25% multifamily housing; 23% office/commercial; and 22% retail. The geographic mix was 42% West; 12% Midwest; 6% East; 40% South.

The firm offers closed-end funds, separate accounts and hybrid debt management.

Tax-exempt clients include Texas Teachers, Commonwealth of Massachusetts, Stanford University and Cornell University.

The parent company is INVESCO MIM Inc. A subsidiary is MIM Property Services Ltd.

James W. Trowbridge is in charge of making property investments; David A. Ridley is client contact.

Top 10 hybrid debt managers*

Aldrich, Eastman & Waltch	2,765
J.P. Morgan	1,563
A. Brown Kleinwort Benson	1,004
L.J. Melody	763
TCW Realty	551
Total	11,837

JMB Institutional Realty

900 N. Michigan Ave., Suite 1800,
Chicago, Ill. 60611; (312) 915-1900

	($ millions)
Tax-exempt real estate assets	$9,961
Equity	$9,770
Hybrid debt	$211
Commingled or pooled funds	
Equity	$8,840
Hybrid debt	$211
Direct, separate accounts	
Equity	$930
Total real estate assets	$20,172
Equity	$9,675
Hybrid debt	$211
Mortgages	$10,086

As of June 30, JMB Institutional Realty Corp. had $9.961 billion in U.S. institutional tax-exempt real estate assets, of which $9.183 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $9.444 billion as of June 30. Contributions received but not invested were $134 million; contributions committed but not received were $192 billion.

Of the U.S. tax-exempt assets, $4.684 billion was invested in Canada as of June 30.

Of the total assets under management, $263 million was invested for non-U.S. pension funds; $4.913 billion was invested in non-U.S. properties.

Of the U.S. tax-exempt assets, 96.2% was in existing and 3.8% in developmental properties. The property mix was 0.1% hotel/resort; 2.3% industrial; 4.6% multifamily housing; 22.4% office/commercial; 53.6% retail; and 17% mixed-use properties. The geographic mix was 25.8% West; 18.9% Midwest; 36.4% East; 18.9% South.

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has joined the firm as Vice President,
Institutional Marketing

56 East Pine Street, Orlando, FL 32801
(800) 848-4120

The firm offers closed-end commingled funds, separate accounts and direct investments.

Tax-exempt clients include Pennsylvania State Employes, Ameritech, Kamehameha Schools/Bishop Estate and Connecticut.

The parent company is JMB Realty Corp.

Carl B. Tash is in charge of making property investments; Thomas S. Foster is client contact.

Jones Lang Wootton Realty Advisors

101 E. 52nd St., New York, N.Y. 10022; (212) 688-8181

	($ millions)
Tax-exempt real estate assets	$2,300
Equity	$2,000
Hybrid debt	$300
Direct, separate accounts	
Equity	$2,000
Hybrid debt	$300
Total real estate assets	$3,300
Equity	$2,500
Hybrid debt	$800

As of June 30, Jones Lang Wootton Realty Advisors had $2.3 billion in U.S. institutional tax-exempt real estate assets, of which $750 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.2 billion as of June 30. Contributions committed but not received were $800 million.

Of the total assets under management, $1 billion was invested for non-U.S. clients, including $200 million for pension funds.

All U.S. tax-exempt assets were in existing properties. The property mix was 10% hotel/resort; 10% industrial; 10% multifamily; 30% office/commercial; and 40% retail. The geographic mix was 20% West; 20% Midwest; 40% East; 20% South.

The firm offers separate accounts.

Tax-exempt clients include U S WEST, Wisconsin, New York State Teachers and New York State & Local.

Stephen Furnary, Charles Grossman, Frank Sullivan Jr. and John Weisz are in charge of making property investments; Darlene Jens is client contact.

Karsten Realty Advisors

12121 Wilshire Blvd., Suite 900, Los Angeles, Calif. 90025; (213) 826-0035

	($ millions)
Tax-exempt real estate assets	$937
Equity	$650
Hybrid debt	$21
Mortgages	$266
Commingled or pooled funds	
Equity	$117
Hybrid debt	$7
Direct, separate accounts	
Equity	$533
Hybrid debt	$14
Mortgages	$266
Total real estate assets	$1,062
Equity	$775
Hybrid debt	$21
Mortgages	$266

As of June 30, Karsten Realty Advisors had $937 million in U.S. institutional tax-exempt real estate assets, of which $631 million was fully discretionary.

The tax-exempt equity assets had a market value of $650 million.

Of the U.S. tax-exempt assets, 100% was in existing properties. The property mix was 7% hotel/resort; 24.7% industrial; 3.8% multifamily; 34% office/commercial; 12.1% retail; 7.8% land; and 10.6% other. The geographic mix was 53.9% West; 9.7% Midwest; 5.3% East; 31.1% South.

The firm offers separate accounts and closed-end funds; no funds are open to subscription.

Tax-exempt clients include AT&T, National Life Insurance Co., Ohio Teachers and New York State & Local.

Robert A. Foran is in charge of making property investments; John M. Lundsten and A. Redmond Doms Jr. is the client contact.

Kennedy Associates Real Estate Counsel Inc.

2400 Financial Center Building, 1215 Fourth Ave., Seattle, Wash. 98161; (206) 623-4739

	($ millions)
Tax-exempt real estate assets	$1,024
Equity	$790
Hybrid debt	$221
Mortgages	$13
Commingled or pooled funds	
Equity	$607
Hybrid debt	$112
Direct, separate accounts	
Equity	$183
Hybrid debt	$109
Mortgages	$13
Total real estate assets	$1,024

As of June 30, Kennedy Associates Real Estate Counsel Inc. had $1.024 billion in U.S. institutional tax-exempt real estate assets, of which $199 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $711 million as of June 30. Contributions received but not invested were $73 million; contributions committed but not received were $7 million.

Of the U.S. tax-exempt assets, 78% was in existing and 22% in developmental properties. The property mix was 1% hotel/resort; 44% industrial; 43% office/commercial; 6% retail; and 6% land. The geographic mix was 42% West; 29% Midwest; 23% East; and 6% South.

The firm offers an open-end fund and separate account management.

Jim Snyder is in charge of making property investments; Ron Roberts is the client contact.

Kensington Realty Advisors

541 N. Fairbanks Court, Suite 2020, Chicago, Ill. 60611; (312) 649-5950

	($ millions)
Tax-exempt real estate assets	$427
Equity	$326
Hybrid debt	$101
Direct, separate accounts	
Equity	$326
Hybrid debt	$101
Total real estate assets	$427

As of June 30, Kensington Realty Advisors Inc. had $427 million in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $279 million as of June 30. Contributions committed but not received were $47 million.

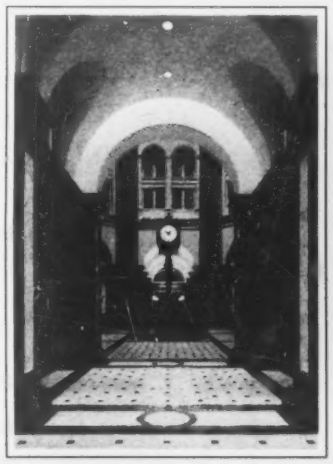
Of the U.S. tax-exempt assets, 90% was in existing and 10% in developmental properties. The property mix was 15% industrial; 9% multifamily; 27% office/commercial; 35% retail; 5% land; and 9% parking garages. The geographic mix was 1% West; 97% Midwest; 2% East.

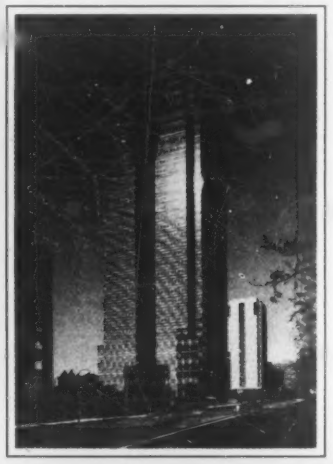
The firm offers separate account management and co-investments.

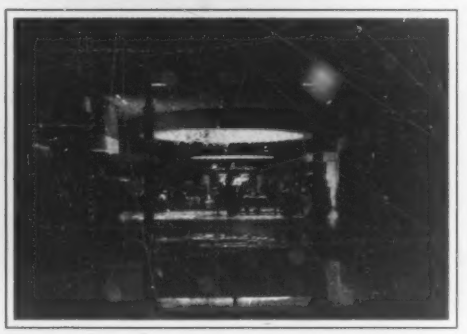
Tax-exempt clients include Illinois Teachers.

LaSalle Advisors Limited

Real Estate Investment Advisor to Qualified Tax-exempt Institutions







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Chicago, Illinois 60603

Call Kenneth M. Campia, President at (312) 782-5800

James S. Smith and James S. Lee are in charge of making property investments; Ronald A. Gold is the client contact.

Koll Realty Advisors

4343 Von Karman Ave., Newport Beach, Calif. 92660; (714) 833-3030

	($ millions)
Tax-exempt real estate assets	$1,665
Equity	$1,663
Hybrid debt	$2
Direct, separate accounts	
Equity	$1,663
Hybrid debt	$2
Total real estate assets	$3,963
Equity	$3,848
Hybrid debt	$115

As of June 30, Koll Realty Advisors had $1.665 billion in U.S. institutional tax-exempt real estate assets, all of which was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.663 billion as of June 30.

Of the total assets under management, $159 million was invested for non-U.S. clients, including $122 million for Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 39% industrial; 60% office/commercial; and 1% retail. All of the investments are in the West.

The firm offers direct and separate account management.

The parent company is The Koll Co. Subsidiaries are Koll Construction.

Ed Griffin is in charge of making property investments; Jeannette Poe is client contact.

LaSalle Advisors Ltd.

11 S. LaSalle St., Chicago, Ill. 60603; (312) 782-5800

	($ millions)
Tax-exempt real estate assets	$5,120
Equity	$5,120
Commingled or pooled funds	
Equity	$2,740
Direct, separate accounts	
Equity	$2,380
Total real estate assets	$5,120

As of June 30, LaSalle Advisors Ltd. had $5.12 billion in U.S. institutional tax-exempt real estate assets, of which $3 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $4.085 billion as of June 30. Contributions committed but not received were $1.035 billion.

Of the U.S. tax-exempt assets, 95% was in existing and 5% in developmental properties. The property mix was 8% industrial; 76% office/commercial; and 16% retail. The geographic mix was 26% West; 26% Midwest; 34% East; 14% South.

The firm offers a series of closed-end commingled funds investing in core properties and a series of specialty closed-end commingled funds, as well as separate account management.

The LaSalle Fund V, a closed-end fund scheduled to close in the fourth quarter of 1992, has not yet received commitments for contributions. The fund will acquire on an equity basis large, high-quality office buildings, regional shopping centers and industrial properties on a national basis.

Tax-exempt clients include Bell Atlantic, Illinois Municipal, Public Service Electric and Gas, and Ohio Teachers.

The parent company is LaSalle Partners Ltd.

Kenneth M. Campia is in charge of making property investments; J. Marshall Peck is client contact.

Latimer & Buck Inc.

121 S. Broad St., Philadelphia, Pa. 19107; (215) 985-3917

	($ millions)
Tax-exempt real estate assets	$1,437
Equity	$282
Hybrid debt	$491
Mortgages	$664
Direct, separate accounts	
Equity	$282
Hybrid debt	$491
Mortgages	$664
Total real estate assets	$1,437

As of Dec. 31, Latimer & Buck Inc. had $1.437 billion in U.S. institutional tax-exempt real estate assets, of which $731 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $282 million as of Dec. 31.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 3.3% hotel/resort; 7.7% industrial; 3.5% multifamily; 48.6% office/commercial; 7% retail; and 29.9% other. The geographic mix was 2% West; 18% Midwest; 74% East; 6% South.

The firm offers separate account investments in real estate equity and mortgage portfolios, with a primary emphasis in participating mortgages on office, retail, industrial and apartment properties.

Tax-exempt clients include Pennsylvania State Employes and Pennsylvania School Employes.

The parent company is Legg Mason.

Richard J. Humphreys is in charge of making property investments; M. Andrew Sheffler is client contact.

Master trust directory: Oct. 14.

Lehndorff & Babson Real Estate Counsel

2501 Cedar Springs Road, Suite 350, Dallas, Texas 75201; (214) 855-5630

	($ millions)
Tax-exempt real estate assets	$1,935
Equity	$1,766
Hybrid debt	$169
Commingled or pooled funds	
Equity	$817
Hybrid debt	$141
Direct, separate accounts	
Equity	$949
Hybrid debt	$28
Total real estate assets	$3,681
Equity	$3,490
Hybrid debt	$191

As of June 30, Lehndorff & Babson Real Estate Counsel had $1.935 billion in U.S. institutional tax-exempt real estate assets, of which $958 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.696 billion as of June 30. Contributions received but not invested were $20 million; contributions committed but not received were $50 million.

Of the total assets under management, $1.407 billion was invested for non-U.S. clients, including $109 million for pension funds and $409 million for Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 2.5% industrial; 49.6% office/commercial; 46.3% retail; and 1.6% land. The geographic mix was 20.3% West; 6.9% Midwest; 60.3% East; 12.5% South.

The firm offers open- and closed-end funds, and separate account management.

The Lehndorff & Babson Property Fund V is a closed-end fund with an anticipated closing date of June 30, 1992. No commitments have been received yet. The Council of Real Estate Group Trust (CORE) is an open-end fund with $462 million in contributions received and invested from four participants. The Lehndorff & Babson CORE II Fund is an open-end fund that has not yet received commitments. The investment style for each commingled fund is to invest in substantially leased, well-located income-producing properties in major metropolitan markets. The focus is on properties that will produce a predictable income stream for the foreseeable future.

Tax-exempt clients include Nevada Public Employees, Ford Motor, New York State Teachers and Southern California Food & Commercial Workers.

The parent company is the Lehndorff Group.

M. Thomas Lardner is in charge of making property investments; G. Andrews Smith is client contact.

Top 10 mortgage managers*

McMorgan	1,600
Latimer & Buck**	664
Aldrich, Eastman & Waltch	605
AFL-CIO Housing & Bldg.	463
GE Investments	400
Total	6,601

McMorgan and Co.

1 Bush St., Suite 800, San Francisco, Calif. 94104; (415) 788-9300

	($ millions)
Tax-exempt real estate assets	$2,030
Equity	$350
Hybrid debt	$80
Mortgages	$1,600
Direct, separate accounts	
Equity	$350
Hybrid debt	$80
Mortgages	$1,600
Total real estate assets	$2,030

As of June 30, McMorgan and Co. had $2.03 billion in U.S. institutional tax-exempt real estate assets, all fully discretionary.

The tax-exempt equity assets had a market value of $300 million as of June 30. Contributions received but not invested were $50 million.

All assets were in existing properties. The property mix was 7.5% industrial; 1.5% multifamily; 18% office/commercial; 9% retail; 60% single family housing; and 4% land. The geographic mix was 100% West.

The firm offers separate accounts.

Dan O'Donnell is in charge of making property investments.

Mellon/McMahan Real Estate Advisors Inc.

444 Market St., Suite 2100, San Francisco, Calif. 94111; (415) 433-7770

	($ millions)
Tax-exempt real estate assets	$953
Equity	$712
Hybrid debt	$135

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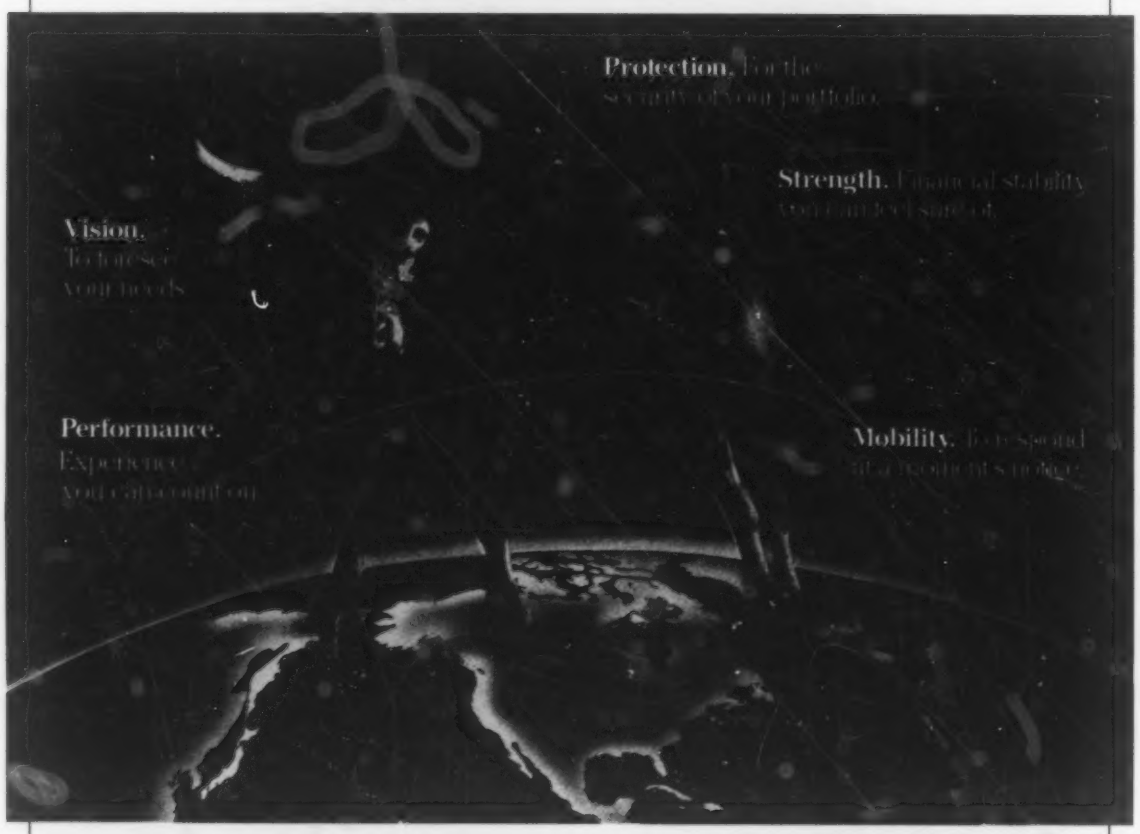

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The Prudential Global Real Estate Investment Programme

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from

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The Programme was advised by Global Realty Advisers, a partnership between Jones Lang Wootton International and The Prudential Insurance Company of America

CPA

We are pleased to announce the election of

Frank J. Hoenemeyer

former Vice Chairman and Chief Investment Officer of
The Prudential Insurance Company of America as a

Director

and member of the Investment Committee of
our affiliated funds which invest in net
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Frank J. Hoenemeyer — Lawrence R. Klein

George E. Stoddard — Madelon DeVoe Talley

W. P. CAREY

LEADING PURCHASERS OF CORPORATE PROPERTIES
W. P. Carey & Co., Inc.
620 FIFTH AVENUE, NEW YORK, NEW YORK 10020
1-212-492-1100

	($ millions)
Mortgages	$106
Direct, separate accounts	
Equity	$712
Hybrid debt	$135
Mortgages	$106
Total real estate assets	$1,103
Equity	$812
Hybrid debt	$171
Mortgages	$120

As of June 30, Mellon/McMahan Real Estate Advisors, Inc. had $953 million in U.S. institutional tax-exempt real estate assets, of which $666 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $642 million as of June 30. Contributions committed but not received were $64 million.

Of the total assets under management, $25 million was invested for non-U.S. clients.

Of the U.S. tax-exempt assets, 100% were in existing properties. The property mix was 0.4% hotel/resort; 30.4% industrial; 3.6% multifamily; 33.1% office/commercial; and 32.5% retail. The geographic mix was 68.8% West; 14.4% Midwest; 7% East; 9.8% South.

The firm offers separate accounts.

Tax-exempt clients include Westinghouse Electric, NYNEX, Southwestern Bell and Contra Costa County Employees.

The parent company is Mellon Bank N.A.

James H. Ida is in charge of making property investments; Barry Rilliet and Linda Spackman are client contacts.

L.J. Melody & Co.

5847 San Felipe, Suite 4400, Houston, Texas 77057; (713) 787-1900

	($ millions)
Tax-exempt real estate assets	$1,941
Equity	$137
Hybrid debt	$763
Mortgages	$1,041
Direct, separate accounts	
Equity	$137
Hybrid debt	$763
Mortgages	$1,041
Total real estate assets	$2,600
Equity	$137
Hybrid debt	$763
Mortgages	$1,700

As of June 30, L.J. Melody & Co. had $1.941 billion in U.S. institutional tax-exempt real estate assets; none was full discretionary.

The tax-exempt equity assets had a market value of $137 million as of June 30.

Of the U.S. tax-exempt assets, all were in existing properties. The property mix was 10% industrial; 10% multifamily; 40% office/commercial; and 40% retail. The geographic mix was 16% West; 5% Midwest; 5% East; 72% South.

The firm offers separate accounts.

Tax-exempt clients include Texas Teachers.

Robert D. Barkley is in charge of making property investments and the client contact.

Metric Institutional Realty Advisors

950 Tower Lane, Foster City, Calif. 94404; (415) 378-7000

	($ millions)
Tax-exempt real estate assets	$662
Equity	$639
Hybrid debt	$10
Mortgages	$13
Commingled or pooled funds	
Equity	$294
Hybrid debt	$10
Mortgages	$13
Direct, separate accounts	
Equity	$345
Total real estate assets	$2,328
Equity	$2,305
Hybrid debt	$10
Mortgages	$13

As of June 30, Metric Institutional Realty Advisors had $662 million in U.S. institutional tax-exempt real estate assets, of which $639 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $345 million as of June 30. Contributions committed but not received were $294 million.

Of the U.S. tax-exempt assets, 100% was in existing properties. The property mix was 9% industrial; 59% multifamily; 14% office/commercial; and 18% retail. The geographic mix was 36% West; 11% Midwest; 17% East; 36% South.

The firm offers closed-end funds, co-investment programs and advisory accounts.

Metric Institutional Apartment Fund II is a closed-end fund with an anticipated closing date of Dec. 31. The fund has commitments not received of $60 million. The fund is a limited partnership investing in to-be-built and to 5-year-old, institutional-quality, garden-style apartment properties. Some 22 markets have been identified for potential investment, with approximately $65 million in properties prespecified.

Tax-exempt clients include the Alaska Permanent Fund, Atlantic Richfield, California PERS and City and County of San Francisco.

The parent company is Metric Realty/Metropolitan Life Insurance Co.

W. Patrick McDowell is in charge of making property investments; Robert A. Fiddaman is client contact.

Metropolitan Life Insurance

1 Madison Ave., New York, N.Y. 10010; (212) 578-4970

	($ millions)
Tax-exempt real estate assets	$989
Equity	$989
Commingled or pooled funds	
Equity	$655
Direct, separate accounts	
Equity	$334
Total real estate assets	$29,223
Equity	$13,089
Mortgages	$16,134

As of June 30, Metropolitan Life Insurance Co. had $989 million in U.S. institutional tax-exempt real estate assets, of which $841 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $887 million as of June 30. Contributions received but not invested were $95 million; contributions committed but not received were $7 million.

Of the total assets under management, $521 million was invested for Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 15% industrial; 24% multifamily; 22% office/commercial; 17% retail; 2% mixed-use properties; and 20% R&D. The geographic mix was 38% West; 16% Midwest; 21% East; 25% South.

The firm offers two open-end commingled funds and individual, separate accounts.

The Tower Fund, an open-end fund, has contributions received and invested of $319 million; contributions received but not invested of $74 million; and $1 million in contributions committed but not received. The fund makes equity investments in wholly owned, operating and substantially leased properties, diversified by type and location. The fund targets acquisitions in established and emerging markets with future supply constraints and/or compelling demographics. The portfolio is limited to 75 properties.

The Defined Contribution Real Estate Account (DCRE), an open-end account, has $100 million in contributions received and invested and $5 million in contributions received, but not invested. The fund is available only to defined contribution plan investors and guarantees liquidity of plan participant balances. The fund acquires primarily well-leased, unleveraged apartment, warehouse/light industrial, retail and office properties nationwide.

Tax-exempt clients include Hawaii Employees, Oregon Employes, United Mine Workers and Kodak.

The firm's non-U.S. joint venture partners in real estate investments consist of 22 Japanese financial institutions.

The firm's subsidiaries are Century 21, Metric Institutional Realty Advisors, Metmor Financial Inc. and Farmers National Co.

James B. Digney is in charge of making property investments; Michael J. Walker is client contact.

This announcement appears as a matter of record only.

September, 1991

American Industrial Partners

announces the closing of

American Industrial Partners Capital Fund, L.P.

$217,000,000

A limited partnership formed to invest in American Industry; manufacturing, processing, service and distribution companies.

For further information please contact:

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200 Park Avenue
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New York, NY 10166
(212) 983-1399

Tax-exempt assets in non-U.S. property

GE Investments	148
A. Brown Kleinwort Benson	34
PSI Institutional	9
Total	4,976

MIG Realty Advisors Inc.

1645 Palm Beach Lakes Blvd., Suite 600, West Palm Beach, Fla. 33401; (407) 686-1800

	($ millions)
Tax-exempt real estate assets	$1,342
Equity	$758
Hybrid debt	$333
Mortgages	$251
Commingled or pooled funds	
Equity	$594
Direct, separate accounts	
Equity	$164
Hybrid debt	$333
Mortgages	$251
Total real estate assets	$1,342

As of June 30, MIG Realty Advisors Inc. had $1.342 billion in U.S. institutional tax-exempt real estate assets, of which $594 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $730 million as of June 30. Contributions received but not invested were $28 million.

Of the U.S. tax-exempt assets, 89% was in existing and 11% in developmental properties. The property mix was 9% hotel/resort; 10% industrial; 34% multifamily; 26% office/commercial; 17% retail; and 4% self-storage. The geographic mix was 32% West; 34% Midwest; 11% East; 23% South.

The firm offers closed-end commingled funds and separate account management.

The MIG Residential Trust II, a closed-end fund, is scheduled to close July 31, 1992. No contributions have been committed to date. The fund intends to acquire, develop and operate a geographically diversified portfolio of apartment buildings and complexes at the ratio of approximately 25% developmental and 75% mature properties. Investments are to be primarily equity interests.

Tax-exempt clients include the Philadelphia Board of Pensions, City of Detroit, Detroit Policemen and Firemen, and Inland Steel.

Subsidiaries of the firm are MIG Capital Services Inc. and Northstar Management Co.

Robert J. Gauthier is in charge of making property investments; James A. Cote is client contact.

J.P. Morgan Investment Management Inc.

522 Fifth Ave., New York, N.Y. 10036; (212) 837-1260

	($ millions)
Tax-exempt real estate assets	$2,183
Equity	$620
Hybrid debt	$1,563
Commingled or pooled funds	
Equity	$581
Hybrid debt	$1,476
Direct, separate accounts	
Equity	$39
Hybrid debt	$87
Total real estate assets	$2,304
Equity	$620
Hybrid debt	$1,684

As of June 30, J.P. Morgan Investment Management Inc. had $2.183 billion in U.S. institutional tax-exempt real estate assets, of which $2.095 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $333 million as of June 30. Contributions received but not invested were $287 million.

Of the total assets under management, $121 million was invested for non-U.S. clients, including $86 million for Japanese clients.

Of the U.S. tax-exempt assets, 88% was in existing and 12% in developmental properties. The property mix was 2% hotel/resort; 22% industrial; 1% multifamily; 39% office/commercial; and 36% retail. The geographic mix was 5% West; 14% Midwest; 63% East; 18% South.

The firm offers direct, separate account management and an open-end commingled account.

The Real Estate Fund, an open-end commingled

fund, has contributions received and invested of $1.361 billion and contributions received but not invested of $696 million. The fund is primarily a portfolio of direct real estate investments. The fund selects properties with above-average potential for income growth and capital appreciation. The potential is realized through active management, property development and redevelopment. The fund invests primarily in urban and suburban office buildings, regional shopping centers and industrial/R&D buildings. Properties are selected to provide diversification by property type and location, as well as for promising development potential.

The parent company is J.P. Morgan & Co. Inc.

Timothy J. Heise is in charge of making property investments; Erling Asheim is client contact.

Investment management consultant profiles will run Nov. 11.

NCNB

1 NCNB Plaza, T10-10, Charlotte, N.C. 28255; (704) 386-5115

	($ millions)
Tax-exempt real estate assets	$702
Equity	$625
Hybrid debt	$75
Mortgages	$2
Commingled or pooled funds	
Equity	$419
Hybrid debt	$69
Direct, separate accounts	
Equity	$206
Hybrid debt	$6
Mortgages	$2
Total real estate assets	$702

As of June 30, NCNB had $702 million in U.S. institutional tax-exempt real estate assets, of which $659 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $625 million as of June 30.

Also as of June 30, $27 million was invested in the United Kingdom as of June 30.

Of the assets, 56% was in existing and 44% in developmental properties. The property mix was 4.4% multifamily; 58.4% office/commercial; and 37.2% land. The geographic mix was 54% East and 46% South.

The firm offers open- and closed-end funds and separate account management.

The parent company is NCNB Corp.

Floyd T. Boyce is in charge of making property investments; James D. Wahl (Southwest) and F. Huling Poston (Southeast) are client contacts.

The O'Connor Group

200 Park Ave., New York, N.Y. 10166; (212) 687-7420

	($ millions)
Tax-exempt real estate assets	$1,980
Equity	$1,825
Hybrid debt	$155
Commingled or pooled funds	
Equity	$1,128
Direct, separate accounts	
Equity	$897
Hybrid debt	$155
Total real estate assets	$2,229
Equity	$2,074
Hybrid debt	$155

As of June 30, The O'Connor Group had $1.98 billion in U.S. institutional tax-exempt real estate assets, of which $1.324 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.605 billion as of June 30. Contributions received but not invested were $141 million; contributions committed but not received were $79 million.

Of the U.S. tax-exempt assets, 70% was in existing and 30% in developmental properties. The property mix was 12% industrial; 11% office/commercial; 78% retail; and 1% mixed use. The geographic mix was 18% West; 30% Midwest; 12% East; 40% South.

The firm offers separate accounts and closed-end funds; no funds are open to new subscriptions.

Tax-exempt clients include California Teachers, AT&T and Bell Atlantic.

Subsidiaries are O'Connor Realty Advisors and O'Connor Management Inc.

Ben Gifford and Glenn Rufran are in charge of making property investments; Nancy I. Lashine is client contact.

PMRealty Advisors

800 Newport Center Drive, Suite 300, Newport Beach, Calif. 92660; (714) 721-5000

	($ millions)
Tax-exempt real estate assets	$615
Equity	$615
Commingled or pooled funds	
Equity	$318
Direct, separate accounts	
Equity	$297
Total real estate assets	$655
Equity	$655

As of June 30, PMRealty Advisors had $615 million in U.S. institutional tax-exempt real estate assets, of which $532 million was fully discretionary.

The tax-exempt equity assets had a market value of $487 million as of June 30. Contributions received but not invested were $28 million; contributions committed but not received were $100 million.

Of the U.S. tax-exempt assets, 100% was in existing properties. The property mix was 31% industrial; 39% office/commercial; 21% retail; and 9% mobile home parks. The geographic mix was 60% West; 18% Midwest; 7% East; 15% South.

The firm offers commingled funds, separate accounts, joint ventures and limited partnerships. No commingled funds are open.

Tax-exempt clients include Nevada PERS, Washington, Eastman Kodak and United Airlines.

The parent company is Pacific Financial Asset Management Co.

James G. McWalters is in charge of making property investments; Jody Elliott is client contact.

Prentiss Properties Realty Advisors Inc.

1717 Main St., Suite 5000, Dallas, Texas 75201; (214) 761-1440

	($ millions)
Tax-exempt real estate assets	$602
Equity	$602
Commingled or pooled funds	
Equity	$602
Total real estate assets	$679
Equity	$679

As of June 30, Prentiss Properties Realty Advisors Inc. had $602 million in U.S. institutional tax-exempt real estate assets, of which $500 was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $525 million as of June 30. Contributions received but not invested were $4 million; contributions committed but not received were $73 million.

Of the U.S. tax-exempt assets, 66% was in existing and 34% in developmental properties. The property mix was 31% industrial; 35% office/commercial; 1% retail; and 33% land. The geographic mix was 32% West; 7% Midwest; 18% East; 43% South.

The firm offers closed-end funds and separate accounts.

Tax-exempt clients include Exxon, Ameritech, Idaho PERS and American Airlines.

Joshua M. Brown is in charge of making property investments and the client contact.

Property Capital Associates

1 Post Office Square, Boston, Mass. 02109; (617) 451-2400

	($ millions)
Tax-exempt real estate assets	$1,269
Equity	$1,269
Commingled or pooled funds	
Equity	$1,163
Direct, separate accounts	
Equity	$106
Total real estate assets	$1,269

As of June 30, Property Capital Associates had $1.269 billion in U.S. institutional tax-exempt real estate assets, all of which was fully discretionary.

The tax-exempt equity assets had a market value of $1.193 billion as of June 30. Contributions committed but not received were $76 million.

Of the U.S. tax-exempt assets, 100% was in existing properties. The property mix was 6% hotel/resort; 24% industrial; 15% multifamily; 41% office/commercial; and 14% retail. The geographic mix was 40% West; 26% Midwest; 24% East; 10% South.

The firm offers closed-end funds, separate accounts and co-investments.

Tax-exempt clients include Maine, Allied-Signal, World Bank and Harvard University.

Anthony D. Fox is in charge of making property investments; Gary R. Schwandt is the client contact.

Prudential Real Estate Investors

3 Prudential Plaza, 751 Broad St., Newark, N.J. 07102; (201) 802-3401

	($ millions)
Tax-exempt real estate assets	$5,634
Equity	$5,240
Hybrid debt	$136
Mortgages	$258
Commingled or pooled funds	
Equity	$4,242
Hybrid debt	$64
Mortgages	$158
Direct, separate accounts	
Equity	$998
Hybrid debt	$72
Mortgages	$100
Total real estate assets	$40,079
Equity	$13,188
Hybrid debt	$155
Mortgages	$26,736

As of June 30, Prudential Real Estate Investors had $5.634 billion in U.S. institutional tax-exempt real estate assets, of which $5.539 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $4.624 billion as of June 30. Contributions received but not invested were $215 million; contributions committed but not received were $401 million.

Of the U.S. tax-exempt assets, 99.9% was in existing and 0.1% in developmental properties. The property mix was 9.6% hotel/resort; 18.8% industrial; 12.5% multifamily; 37% office/commercial; 21% retail; and 1.1% agricultural land. The geographic mix was 34.4% West; 14.4% Midwest; 38.1% East; 13.1% South.

The firm offers open- and closed-end funds and separate accounts.

Prudential Property Investment Separate Account (PRISA), an open-end fund, has assets of $3.146 billion. It is a broadly diversified, core portfolio investing in completed, well-leased, investment-grade equity real estate.

Union Mortgage Account (UMA), an open-end fund, has assets of $148 million invested primarily in fixed-rate mortgages and construction loans on to-be-built or substantially renovated by 100% union labor.

Strategic Performance Fund-I, a closed-end equity account, has assets of $31 million. An additional $100 million is committed but not received. The fund is scheduled to close Dec. 31. The fund will acquire existing and to-be-completed apartment, industrial and office properties in markets identified as having superior growth potential.

Tax-exempt clients include Chevron, Colorado PERS, Florida and Western Conference of Teamsters.

The parent company is Prudential Insurance Co. of America.

Claude Zinngrabe is in charge of making property investments; Kevin Myers is the client contact.

PSI Institutional Realty

600 N. Brand Blvd., Suite 300, Glendale, Calif. 91203; (818) 244-8080

	($ millions)
Tax-exempt real estate assets	$728
Equity	$728
Commingled or pooled funds	
Equity	$451
Direct, separate accounts	
Equity	$277
Total real estate assets	$3,247
Equity	$2,947
Mortgages	$300

As of June 30, PSI Institutional Realty, a division of Public Storage Inc., had $728 million in U.S. institutional tax-exempt real estate assets, none fully discretionary.

The tax-exempt equity assets had a market value of $682 million as of June 30. Contributions received, but not invested were $14 million; contributions committed but not received were $32 million.

Of the U.S. tax-exempt assets, $9 million was invested in Canada as of June 30.

Of the total assets under management, $210 million was invested for non-U.S. clients, including $45 million for pension funds.

Of the U.S. tax-exempt assets, 100% was in developmental properties. The property mix was 100% self-storage facilities. The geographic mix was 43% West; 21% Midwest; 29% East; 7% South.

The firm offers closed-end funds and separate accounts. No fund are open to subscription.

Tax-exempt clients include Ameritech, Ford, Los Angeles County and GTE Service.

Hugh Horne is in charge of making property investments; William J. Chadwick is client contact.

Managers with non-U.S. clients

Eastdil Realty	3,571
UBS Asset Mgmt. (N.Y.)	2,685
Corporate Property	2,200
Jones Lang Wootton	1,000
RREEF	539
Trammell Crow	308
PSI Institutional	210
Koll Realty	159
J.P. Morgan	121
Coventry Investment	28
Loeb Partners Realty	20
American Agricultural	9
Total	19,852

RREEF

650 California St., Suite 1800, San Francisco, Calif. 94108; (415) 781-3300

	($ millions)
Tax-exempt real estate assets	$3,421
Equity	$3,372
Mortgages	$49
Commingled or pooled funds	
Equity	$2,651
Mortgages	$10
Direct, separate accounts	
Equity	$721
Mortgages	$39
Total real estate assets	$4,287
Equity	$4,225
Mortgages	$62

As of June 30, RREEF had $3.421 billion in U.S. institutional tax-exempt real estate assets, of which $2.483 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $3.198 billion as of June 30. Contributions committed but not received were $174 million.

Of the U.S. tax-exempt assets, $69 million was invested in Canada as of June 30.

Of the total assets under management, $539 million was invested for non-U.S. pension funds.

Of the U.S. tax-exempt assets, 97% was in existing and 3% in developmental properties. The property mix was 28% industrial; 3% multifamily; 34% office/commercial; and 35% retail. The geographic mix was 40% West; 27% Midwest; 18% East; 15% South.

The firm offers closed-end funds, co-investments and separate account management.

RREEF Apartment II will purchase high-quality apartment buildings of between $10 million and $30 million in select major metropolitan areas in the United States.

Tax-exempt clients include Ameritech, Colorado Fire & Police and New York State State & Local.

Stephen M. Stappe is in charge of making property investments.

Schroder Real Estate Associates

437 Madison Ave., New York, N.Y. 10022; (212) 486-9800

	($ millions)
Tax-exempt real estate assets	$700
Equity	$700
Commingled or pooled funds	
Equity	$800
Direct, separate accounts	

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as
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Equity	$100
Total real estate assets	$1,500
Equity	$1,500

As of June 30, Schroder Real Estate Associates had $700 million in U.S. institutional tax-exempt real estate assets, of which $450 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $400 million as of June 30. Contributions committed but not received were $300 million.

Of the total assets under management, $800 million was invested for non-U.S. clients, including $500 million for pension funds.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 3% industrial; 37% office/commercial; and 60% retail. The geographic mix was 19% West; 8% Midwest; 36% East; 37% South.

The firm offers closed-end funds, co-investments and separate account management.

Schroder Real Estate Value-Enhancement Fund B, L.P., a closed-end fund, has contributions committed, but not received of $110 million. The fund is scheduled to close in December. The fund will opportunistically acquire underutilized regional malls, urban offices and industrial property that can be responsive to intensive direct property/construction management and leasing.

Tax-exempt clients include Kodak, Philip Morris, 3M and N.Y. State & Local.

Norman L. Peck is in charge of making property investments; John Emmanuel and Linda Wooldridge are client contacts.

Sentinel Real Estate Corp.

1290 Avenue of the Americas, New York, N.Y. 10104; (212) 408-2900

	($ millions)
Tax-exempt real estate assets	$1,785
Equity	$1,713
Mortgages	$72
Commingled or pooled funds	
Equity	$781
Mortgages	$67
Direct, separate accounts	
Equity	$932
Mortgages	$5
Total real estate assets	$2,286
Equity	$2,186
Mortgages	$100

As of June 30, Sentinel Real Estate Corp. had $1.785 billion in U.S. institutional tax-exempt real estate assets, of which $1.263 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.407 billion as of June 30. Contributions committed but not received were $306 million.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 6% industrial; 77% multifamily; 7% office/commercial; and 10% retail. The geographic mix was 39% West; 14% Midwest; 10% East; 37% South.

The firm offers open- and closed-end commingled funds and separate account management.

SRE Real Estate Fund, an open-end fund, has $750 million from 107 investors. The fund seeks to acquire garden apartment, office, retail and industrial properties in the $5 million to $25 million range, with high current income and potential for value enhancement.

SRE Realty Partners II is a closed-end fund with $16 million in contributions. The fund focuses on acquisition of new apartment properties in the $5 million to $20 million range with potential for capital appreciation and value enhancement.

Tax-exempt clients include Ohio Employees, Michigan, Alaska and Maryland.

John H. Streicker is in charge of making property investments; David Weiner is client contact.

State Street Bank and Trust

225 Franklin St., Boston, Mass. 02110; (617) 654-3953

	($ millions)
Tax-exempt real estate assets	$430
Equity	$249
Hybrid debt	$181
Commingled or pooled funds	
Equity	$249
Hybrid debt	$181
Total real estate assets	$520
Equity	$301
Hybrid debt	$219

As of June 30, State Street Bank and Trust Co. had $430 million in U.S. institutional tax-exempt real estate assets, all fully discretionary.

All were managed on its behalf by Aldrich, Eastman & Waltch in a series of closed-end funds. See listing for Aldrich, Eastman & Waltch.

Tax-exempt clients include CBS, GTE, World Bank and Wisconsin Electric.

The parent company is State Street Boston Corp.

Robert E. Kilroy is in charge of making property investments; Peter Braun is client contact.

TCW Realty Advisors

400 S. Hope St., Suite 600, Los Angeles, Calif. 90071-2899; (213) 683-4200

	($ millions)
Tax-exempt real estate assets	$4,209
Equity	$3,658
Hybrid debt	$551
Commingled or pooled funds	
Equity	$1,934
Hybrid debt	$290
Direct, separate accounts	
Equity	$1,724
Hybrid debt	$261
Total real estate assets	$4,209

As of June 30, TCW Realty Advisors had $4.209 billion in U.S. institutional tax-exempt real estate assets, of which $2.885 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $3.256 billion as of June 30. Contributions received but not invested were $50 million; contributions committed but not received were $350 million.

Of the U.S. tax-exempt assets, 99% was in existing and 1% in developmental properties. The property mix was 30% industrial; 40% office/commercial; 25% retail; and 5% zoned urban land. The geographic mix was 58% West; 12% Midwest; 23% East; 7% South.

The firm offers closed-end funds and separate accounts.

Tax-exempt clients include California Teachers, Pacific Telesis, New York State & Local, and McDonnell Douglas.

The firm is a joint venture with Trust Co. of the West.

Richard Pink is in charge of making property investments; Bruce Ludwig is client contact.

Trammell Crow Realty Advisors

3500 Trammell Crow Center, 2001 Ross Ave., Dallas, Texas 75201-2997; (214) 979-5202

	($ millions)
Tax-exempt real estate assets	$1,773
Equity	$1,773
Commingled or pooled funds	
Equity	$1,521
Direct, separate accounts	
Equity	$252
Total real estate assets	$2,632
Equity	$2,602
Mortgages	$30

As of June 30, Trammell Crow Realty Advisors had $1.773 billion in U.S. institutional tax-exempt real estate assets, of which $1.521 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $1.229 billion as of June 30. Contributions committed but not received were $544 million.

Of the total assets under management, $308 million was invested for Japanese clients.

All of the U.S. tax-exempt assets were in existing properties. The property mix was 2% hotel/resort; 7% industrial; 1% multifamily; 78% office/commercial; 6% retail; and 6% land. The geographic mix was 28% West; 4% Midwest; 32% East; 36% South.

The firm offers closed-end funds and separate account management.

Tax-exempt clients include Ameritech, DuPont, Michigan and First Plaza Group Trust.

The parent company is Trammell Crow Ventures. Subsidiaries are Trammell Crow Residential and Trammell Crow Interests.

Thomas J. O'Gara is in charge of making property investments; Stanislaw Maliszewski is client contact.

Union Labor Life Insurance

111 Massachusetts Ave. N.W., Washington, D.C. 20001; (202) 682-0900

	($ millions)
Tax-exempt real estate assets	$459
Mortgages	$459
Commingled or pooled funds	
Mortgages	$459
Total real estate assets	$459

As of June 30, Union Labor Life Insurance Co. had $459 million in U.S. institutional tax-exempt real estate assets, all discretionary.

The firm offers Separate Account J, an open-end mortgage account on properties built or renovated by union labor, which had $295 million in contributions received and invested and $164 million in contributions received, but not invested. The fund invests in a diversified mortgage portfolio and seeks to provide a means of reversing unfavorable trends in unemployment by stimulating the construction industry and union construction jobs.

The parent company is ULLICO Inc.

Tim Durkin is in charge of making property investments; Fred Burke is client contact.

Wells Fargo Realty Advisors

600 Montgomery St., 29th Floor, MAC 0116-292, San Francisco, Calif. 94163; (415) 396-6222

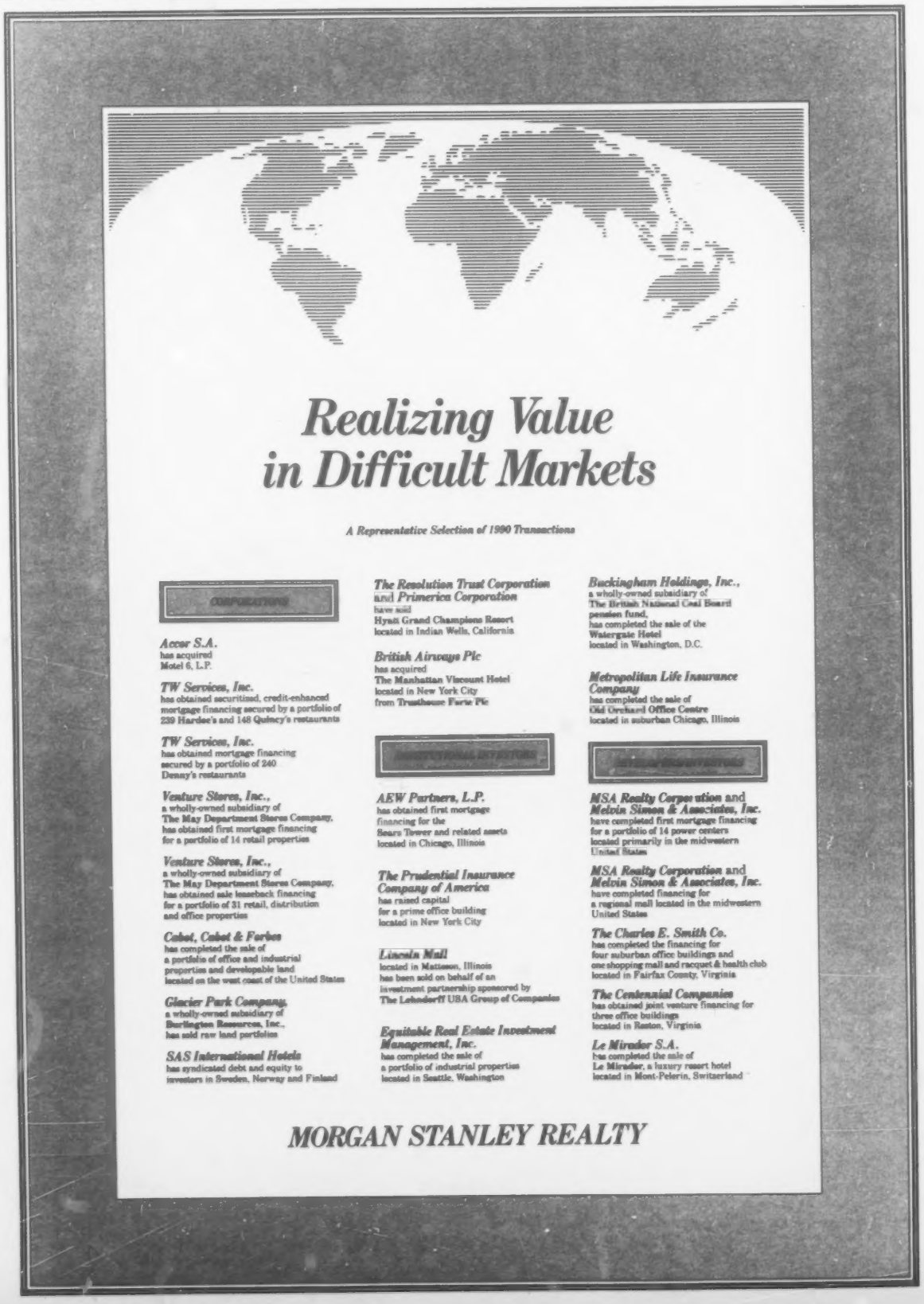
	($ millions)
Tax-exempt real estate assets	$683
Equity	$501
Hybrid debt	$181
Mortgages	$1
Commingled or pooled funds	
Equity	$137
Hybrid debt	$55
Mortgages	$1
Direct, separate accounts	
Equity	$364
Hybrid debt	$126
Total real estate assets	$683

As of June 30, Wells Fargo Realty Advisors had $683 million in U.S. institutional tax-exempt real estate assets, of which $193 million was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $353 million as of June 30. Contributions received but not invested were $36 million; contributions committed but not received were $112 million.

Of the U.S. tax-exempt assets, 63% was in existing and 37% in developmental properties. The prop

Continued on page 36


Realizing Value
in Difficult Markets
A Representative Selection of 1990 Transactions
CORPORATIONS
Accor S.A.
has acquired
Motel 6, L.P.
TW Services, Inc.
has obtained securitized, credit-enhanced
mortgage financing secured by a portfolio of
239 Hardee's and 148 Quincy's restaurants
TW Services, Inc.
has obtained mortgage financing
secured by a portfolio of 240
Denny's restaurants
Venture Stores, Inc.,
a wholly-owned subsidiary of
The May Department Stores Company,
has obtained first mortgage financing
for a portfolio of 14 retail properties
Venture Stores, Inc.,
a wholly-owned subsidiary of
The May Department Stores Company,
has obtained sale leaseback financing
for a portfolio of 31 retail, distribution
and office properties
Cabot, Cabot & Forbes
has completed the sale of
a portfolio of office and industrial
properties and developable land
located on the west coast of the United States
Glacier Park Company,
a wholly-owned subsidiary of
Burlington Resources, Inc.,
has sold raw land portfolios
SAS International Hotels
has syndicated debt and equity to
investors in Sweden, Norway and Finland
The Resolution Trust Corporation
and Primerica Corporation
have sold
Hyatt Grand Champions Resort
located in Indian Wells, California
British Airways Plc
has acquired
The Manhattan Viscount Hotel
located in New York City
from Trusthouse Forte Plc
INSTITUTIONAL INVESTORS
AEW Partners, L.P.
has obtained first mortgage
financing for the
Sears Tower and related assets
located in Chicago, Illinois
The Prudential Insurance
Company of America
has raised capital
for a prime office building
located in New York City
Lincoln Mall
located in Matteson, Illinois
has been sold on behalf of an
investment partnership sponsored by
The Lehndorff UBA Group of Companies
Equitable Real Estate Investment
Management, Inc.
has completed the sale of
a portfolio of industrial properties
located in Seattle, Washington
Buckingham Holdings, Inc.,
a wholly-owned subsidiary of
The British National Coal Board
pension fund,
has completed the sale of the
Watergate Hotel
located in Washington, D.C.
Metropolitan Life Insurance
Company
has completed the sale of
Old Orchard Office Centre
located in suburban Chicago, Illinois
MSA Realty Corporation and
Melvin Simon & Associates, Inc.
have completed first mortgage financing
for a portfolio of 14 power centers
located primarily in the midwestern
United States
MSA Realty Corporation and
Melvin Simon & Associates, Inc.
have completed financing for
a regional mall located in the midwestern
United States
The Charles E. Smith Co.
has completed the financing for
four suburban office buildings and
one shopping mall and racquet & health club
located in Fairfax County, Virginia
The Centennial Companies
has obtained joint venture financing for
three office buildings
located in Reston, Virginia
Le Mirador S.A.
has completed the sale of
Le Mirador, a luxury resort hotel
located in Mont-Pelerin, Switzerland
MORGAN STANLEY REALTY

Wilshire

Continued from page 17

was officials assumed they couldn't get the real estate characteristics they wanted from them for diversification of assets.

But Mr. Torres said a Wilshire study has shown the publicly traded securities had excess return that could only be accounted for if they did have the characteristics of real estate.

Wilshire is pushing the index as a way to make changes in a pension fund's real estate portfolio, something they can't do easily through their commingled fund investments. That's because many open-end funds, which touted liquidity, aren't allowing pension funds to cash out in a reasonable amount of time as was promised.

Some closed-end funds, meanwhile, which were supposed to have a 10-year life, are having trouble selling off properties in order to liquidate.

Without being able to make changes in real estate money managers, their property holdings or the geographic mix in their portfolios, Mr. Torres said, pension fund executives sometimes are locked into relatively poor performing investments.

Some investors say they don't need to make changes because they are investing for the long term. But Mr. Torres said change is needed when the current manager is not doing a good job, or there are changes in trustees, investment strategy or the plan itself.

Mr. Torres contends the underlying problem with commingled real estate funds is they aren't subject to market discipline: They have no repricing mechanism that would give investors liquidity.

Many of the problems with commingled funds can be solved through investment in publicly traded real estate securities, Mr. Torres said.

The market can "squash down" the price of the securities, if needed, so real estate will remain liquid. In turn, pension funds can adjust their portfolios.

By being able to readjust the price, real estate can compete in return with other asset classes, said Mr. Torres.

Paul Saint-Pierre, president of the real estate consulting firm Pension Realty Advisors, San Francisco, said he supports Wilshire's new index and the concept of pension funds investing in publicly traded real estate securities.

But, he said, pension funds are going to have to be willing to pay for analytic research to monitor the operating managers of publicly traded real estate trusts and companies. So far, he said, pension funds haven't shown themselves willing to pay that price.

Investment banking houses attempted in 1986 to generate interest in real estate securities, but the effort largely failed, partly because pension executives didn't realize the problems with privately traded investment vehicles and partly because there was no benchmark for publicly traded real estate securities, he said.

The National Association of Real Estate Investment Trusts already offers an index. But Mr. Torres said the index contains financing vehicles, securities for investment in race tracks and other real estate that often isn't of interest to pension fund investors.

Wilshire, in forming its index, attempted to mimic pension funds' current investments in such properties as warehouses, offices, retail and apartments.

Another problem is the NAREIT Index doesn't include public real estate companies, which comprise 22% of the Wilshire index.

The investment bankers also failed because the prevailing theory has been that there was a significant cost associated with the liquidity of publicly traded real estate securities. But Wilshire has found no such cost exists, said Mr. Torres. For a period from the first quarter of 1978 to the second quarter of 1991, the Wilshire index outperformed the widely recognized Russell-NCREIF Property Index by 455 basis points. The Wilshire index had a compound annual return of 15.15%, vs. 10.6% for the Russell-NCREIF index.

Investors also previously objected to real estate securities, saying they had too much volatility with frequent price changes. But investors have since found that appraised real estate often masked the true price volatility in even privately traded real estate.

The Wilshire index is dominated by investment in retail properties, unlike the domination of office properties in pension fund portfolios and the Russell-NCREIF Index.

But with the market discipline that publicly traded securities offer, pension funds would have shifted significant amounts of their investment into retail years ago because retail has had the best return in the last several years, Mr. Torres said. ■

Continued from page 35

erty mix was 13% industrial; 6% multifamily; 25% office/commercial; 32% retail; and 24% land. The geographic mix was 69% West; 14% Midwest; 14% East; 3% South.

The firm offers an open-end commingled fund and direct, separate accounts.

Wells Fargo Real Estate Equity Fund (REF), an open-end fund, has $137 million in contributions from 100 tax-exempt clients. The fund's investment strategy emphasizes creating value through acquisitions in properties that can be expanded or renovated and selective new property development. The primary investment vehicle is through partnership-oriented transaction structures. Property types include shopping centers, industrial/warehouse properties, apartments and offices. The fund invests nationwide, but most acquisitions are in major growth areas of the West with a particular emphasis in California.

Tax-exempt clients include IBM, GM, Permanente Medical Group and Ohio Public Employees.

The parent company is Wells Fargo Bank.

Doug Hayek is in charge of making property investments; J. Michael Johnson is client contact.

The Yarmouth Group Inc.
Swiss Bank Tower, 10 E. 50th St., New York, N.Y. 10022; (212) 355-4810

	($ millions)
Tax-exempt real estate assets	$4,700
Equity	$4,500
Hybrid debt	$200
Commingled or pooled funds	
Equity	$255
Direct, separate accounts	
Equity	$4,245
Hybrid debt	$200
Total real estate assets	$7,900
Equity	$7,250
Hybrid debt	$650

As of June 30, The Yarmouth Group Inc. had $4.7 billion in U.S. institutional tax-exempt real estate assets, of which $3.35 billion was in fully discretionary accounts.

The tax-exempt equity assets had a market value of $4.1 billion as of June 30. Contributions committed but not received were $400 million.

Of the total assets under management, $3.2 billion was invested for non-U.S. clients, including $750 million for pension funds, $2.45 billion for Japanese clients and $550 million in non-U.S. properties.

Of the U.S. tax-exempt assets, 96% was in existing and 4% in developmental properties. The property mix was 5% hotel/resort; 2% industrial; 53% office/commercial; and 40% retail. The geographic mix was 42% West; 9% Midwest; 38% East; 11% South.

The firm offers separate account management and a closed-end REIT fund.

Tax-exempt clients include RJR Nabisco, IBM, Southern California Edison and New York State & Local.

Evan H. Heller is in charge of making property investments; David R. Hodes is client contact.

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Country funds smart for foreign investing

By Albert J. Fredman and George Cole Scott

Closed-end, single-country funds offer plan sponsors an attractive means of entree to about two dozen of the world's stock markets.

Ample evidence from academic studies demonstrates cross-border diversification can improve a portfolio's reward-to-volatility ratio. Correlation coefficients of 0.5 or less between the U.S. stock market and markets of other countries frequently are observed. The correlations with the U.S. market are typically lowest among the emerging markets, which, as a group, offer the best diversification potential.

The closed-end format is ideally suited to investment in foreign equity markets. Many of these markets are volatile, and the individual shares thinly traded. Unlike the open-end, or mutual fund, closed-end fund investors can't redeem shares or force management to dump holdings at distress sale prices, thereby decimating the portfolio. Discounts, produced by investors dumping holdings, are the CEF equivalent to redemptions on open-end funds. Furthermore, the fact the manager works with a relatively stable pool of capital means there is no need for a cash buffer to meet redemptions.

When defined broadly to include multi- as well as single-country portfolios, there are now 45 closed-end country funds listed on U.S. exchanges with more than $5 billion of assets, according to William Dinning, a PaineWebber country fund analyst.

The equities in many non-U.S. markets are difficult to acquire directly. According to Norman Tepper, a closed-end fund analyst at Value Line, some markets — such as Korea, India, Thailand and Taiwan — are closed to foreign investors, while others are difficult to access because of cross-holdings and thin floats. Mr. Tepper expects liquidity will improve in the future as markets open up and as disclosure improves, but for now it's much easier to use a country fund.

As another example, the $165 billion Swiss stock market, made up of more than 220 publicly traded companies, now offers only three American depository receipts, according to Georges de Montebello, president of Helvetia Capital Corp. The Swiss Helvetia Fund holds about 45 companies, most of which would be unreachable by U.S. investors.

CEFs offer investors a unique valuation barometer, the premium/discount level. In the late 1980s, many single-country funds traded at heady premiums to net asset value, commonly ranging from 30% to 100% or more.

Some country funds, however, can be as volatile as over-the-counter growth stocks that trade at outrageous price-earnings ratios.

For example, in the 52-week period ended Aug. 17, 1990, the Spain Fund went from a 145% premium to a 9% discount; the Germany Fund, from a 100% premium to a 15% discount; and the Taiwan Fund, from a 98% premium to a 23% discount, according to data provided by Michael Porter, a Smith Barney country fund analyst.

The accompanying table contains the 52-week high/low, discount/premium levels of several single-country funds during the period ended May 31. An average of weekly discounts/premiums also is reported. (If the fund has

See **Foreign** *on page 38*

Premium-discount analysis of select single-country funds*

Fund	Premium/discount (-) 52-week high	52-week low	52-week average
Austria Fund	5%	-30%	-15%
Italy Fund	1%	-34%	-13%
Turkish Investment Fund	5%	-36%	-17%
India Growth Fund	32%	-31%	- 6%
Japan OTC Equity Fund	48%	-26%	3%
Taiwan Fund	54%	-23%	23%
Brazil Fund	21%	-19%	1%
Emerging Mexico Fund	8%	-20%	-14%
Mexico Equity & Income Fund	4%	-27%	-14%

*As of May 31
Source: Smith Barney Research, New York

Albert J. Fredman is a professor of finance at California State University, Fullerton. George Cole Scott is publisher of "The Scott Letter: Closed-end Fund Report," a monthly newsletter on closed-end funds. Messrs. Fredman and Scott also co-authored "Investing in Closed-End Funds: Finding Value and Building Wealth," New York Institute of Finance/Simon & Schuster, 1991.

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Foreign

Continued from page 37

been in existence for less than 52 weeks, the range reflects its shorter trading life).

In a few cases a modest premium may be justified. The best example would be the Korean stock market, which has been closed to outside investors except through funds investing there such as the Korea Fund, which generally has traded at a premium averaging greater than 50%. The Korean stock market, however, is expected to give foreigners restricted access beginning Jan. 1, and that might explain why the fund has traded at a lower premium recently.

CEFs ordinarily should trade at some discount because investors face the risk of share prices that fluctuate more widely than net asset values. Valuations change rapidly with changes in investor sentiment, which is largely unpredictable. During market sell-offs you often see a "domino effect" as observed in the summer of 1990, when discounts on many country funds were driven to bargain-basement levels.

Primary country fund selection guidelines are as follows:

- For the most complete diversification in a global sense, include CEFs representing each of the major sectors of the non-U.S. world market portfolio: Europe; Asia and the Pacific Rim; and Latin America.
- Consider the correlations of returns between the U.S. stock market and the individual foreign markets. The lower the correlation, the better the diversification.
- Look for value in terms of the p/e ratio of the target market and the discount of the CEF.
- Examine the performance of the CEF relative to its benchmark index. Try to buy good performance at a discount.

The most basic way to represent the diversification benefits of multicountry investing is to analyze the correlation of price movements between the U.S. market and different foreign markets. Usually, correlations of returns between pairs of stock markets are positive during periods of five or more years. The lower the value the better, from a risk-reduction standpoint. We must examine the correlation issue in more detail, however, because of the CEFs' inherent complexity.

PaineWebber's Mr. Dinning has done an analysis of diversification in terms of correlation. He examined a number of correlations including those between:

- the target market and the U.S. market;
- the net asset value of the fund and its target market;
- the net asset value of the fund and the U.S. market; and
- the net asset value of the fund and its share price.

Emerging markets generally had the lowest correlations to the U.S. market. The best diversification provided by developed markets was offered by Austria, Italy and Germany. Mr. Dinning also found there is generally a very high correlation between the fund's net asset value and its target market index. One always should examine the cash position of the fund. As the cash position increases, the correlation of the net asset value with the target market's index would be expected to decline.

A CEF whose net asset value exhibits a high correlation with its target market but has low correlation to the U.S. market offers the best diversification.

The relationship between the net asset value of a fund and its share price is very important. We already have seen discounts and premiums are subject to wide fluctuations. Thus, we know intuitively the relationship between net asset value and price would not be that close. The fund's share price, however, must have at least a fair degree of correlation to its net asset value in order to make meaningful inferences about its diversification potential.

Mr. Dinning correlated fund prices with target market indexes and the U.S. stock market. He concluded the price of a country fund generally is tied more closely to its host market than to the U.S. market, but the fund's net asset value has a stronger correlation to its market than does its share price.

Looking at diversification in relation to stock price rather than net asset value, the share prices of several funds were found to have above-average correlation with their target markets while their markets exhibit below-average correlation with the U.S. market. All except one also exhibited high net asset value correlation with their markets. The funds common to both groups may appear to offer the best diversification potential. Of course, correlations do vary over time as do the conclusions drawn from such studies. Nonetheless, this approach offers useful input in the CEF selection process.

In selecting country funds, weight should be given to discounts as well as correlations. One should look for bargains among markets at low valuation multiples with funds trading at attractive discounts.

The best way to minimize the risk of CEF investing is to buy funds trading at near historically wide discount levels and, if possible, those relatively wider than those of their peers. It has been observed the original CEF targeting a country tends to maintain a higher valuation than subsequent funds launched to invest in the same market.

Naturally, there are different ways to structure a global portfolio. For instance, one could invest in a fund investing in dozens of emerging markets, as opposed to investing directly in a dozen or more single-country funds investing in emerging markets. Or one could invest in a fund focusing on regional markets.

Where there are other ways to gain exposure to certain markets through CEFs, one should compare the discounts on the different funds as a part of the decision-making process.

But, don't look at the discount in isolation. There is always a reason for a discount. The really deep ones often result from poor performance, high political or economic risk, highly illiquid markets or an illiquid fund. Buying at a deep discount, while it could lead to superior results, is not a substitute for doing the necessary homework.

Here are some additional selection guidelines.

- Determine to what extent, if any, the fund management hedges against currency fluctuations. Hedging doesn't always work that well because the timing of the hedge could be off.
- Examine the liquidity of the country fund by looking at its average daily share volume. There can be wide variation among CEFs in terms of their liquidity. Make sure the funds in which you are interested offer enough liquidity for your purposes. ■

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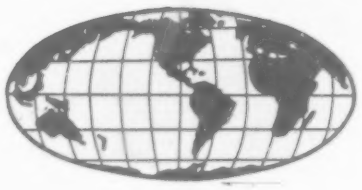

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